

AFFIDAVIT

State of Indiana

County of Hamilton

NAME OF INSURED: J & S WELDING INC

POLICY NUMBER: BKW 56415845

POLICY DATES: 11-04-2019 TO 11-04-2020

David Hager, archivist of

West American Insurance Company and has compared the attached copies of the insurance policy number listed above and its endorsements with the original records of the policy of insurance and endorsements contained in the Company's files and that the same is a true and exact recital of all the provisions in the said original policy and endorsements attached thereto.

A handwritten signature in black ink that reads "David Alan Hager". The signature is written in a cursive, flowing style.

David Hager
Policy Copy Archivist

May 24, 2022



Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
Endorsement Period:
From 11/04/2019 to 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

Policy Change Endorsement

Named Insured & Mailing Address

J & S WELDING INC
2579 N 9TH AVE
HUMBOLDT, TN 38343

Agent Mailing Address & Phone No.

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE
460 OIL WELL RD
JACKSON, TN 38305-7352

CHANGES TO POLICY - TRANSACTION # 2

This Policy Change Endorsement Results In A Change In The Charges As Follows:

Additional Premium	\$1,466.00
Total Additional Charges	\$1,466.00
Certified Acts of Terrorism Additional Charges	\$5.00 (Included)
Note: This is not a bill	

Description of Change(s)

THE POLICY HAS BEEN AMENDED TO REFLECT THE
EXPOSURES PER AUDIT
See The Revised Declarations and Declarations Schedule

Issue Date 01/02/20

Authorized Representative

To report a claim, call your Agent or 1-844-325-2467

DS 70 27 01 08



Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
Endorsement Period:
From 11/04/2019 to 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

Policy Change Endorsement

Named Insured

J & S WELDING INC

Agent

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

SUMMARY OF LOCATIONS

0001 2579 N 9th Ave Bldg 1, Humboldt, TN 38343-1717

0002 2579 N 9th Ave Bldg 2, Humboldt, TN 38343-1717

POLICY FORMS AND ENDORSEMENTS

This section lists the Forms and Endorsements for your policy. Refer to these documents as needed for detailed information concerning your coverage.

FORM NUMBER

TITLE

CG 00 01 04 13	Commercial General Liability Coverage Form - Occurrence
CG 21 06 05 14	Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception
CG 21 47 12 07	Employment-Related Practices Exclusion
CG 21 67 12 04	Fungi or Bacteria Exclusion
CG 21 70 01 15	Cap on Losses from Certified Acts of Terrorism
CG 21 76 01 15	Exclusion of Punitive Damages Related to a Certified Act of Terrorism
CG 21 86 12 04	Exclusion - Exterior Insulation and Finish Systems
CG 22 79 04 13	Exclusion - Contractors - Professional Liability
CG 24 26 04 13	Amendment of Insured Contract Definition
CG 84 94 12 08	Exclusion - Consolidated Insurance Programs Wrap-Up
CG 84 99 08 09	Non-Cumulation Liability Limits Same Occurrence
CG 88 10 04 13	Commercial General Liability Extension

Issue Date 01/02/20

Authorized Representative

To report a claim, call your Agent or 1-844-325-2467

DS 70 27 01 08



Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
Endorsement Period:
From 11/04/2019 to 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

Policy Change Endorsement

Named Insured

J & S WELDING INC

Agent

(731) 784-9171
SUNSTAR INSURACE GROUP, LLC DBA
FSB INSURANCE

POLICY FORMS AND ENDORSEMENTS - CONTINUED

This section lists the Forms and Endorsements for your policy. Refer to these documents as needed for detailed information concerning your coverage.

FORM NUMBER	TITLE
CG 88 77 12 08	Medical Expense At Your Request Endorsement
CG 88 86 12 08	Exclusion - Asbestos Liability
CL 01 00 03 99	Common Policy Conditions
CL 01 18 01 01	Amendatory Endorsement - Tennessee
CL 06 00 01 15	Certified Terrorism Loss
CL 07 00 10 06	Virus or Bacteria Exclusion
CP 00 10 10 12	Building and Personal Property Coverage Form
CP 00 90 07 88	Commercial Property Conditions
CP 01 40 07 06	Exclusion of Loss Due to Virus or Bacteria
CP 10 30 10 12	Causes of Loss - Special Form
CP 12 18 10 12	Loss Payable Provisions
CP 88 04 03 10	Removal Permit
CP 88 36 10 13	Roof Surfacing Cosmetic Loss Exclusion
CP 89 00 02 15	Property Extension Plus For Construction
CP 90 59 12 12	Identity Theft Administrative Services and Expense Coverage
CP 92 01 05 17	Property Anti-Stacking Endorsement

Issue Date 01/02/20

Authorized Representative

To report a claim, call your Agent or 1-844-325-2467

DS 70 27 01 08



Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
Endorsement Period:
From 11/04/2019 to 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

Policy Change Endorsement

Named Insured

J & S WELDING INC

Agent

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

POLICY FORMS AND ENDORSEMENTS - CONTINUED

This section lists the Forms and Endorsements for your policy. Refer to these documents as needed for detailed information concerning your coverage.

FORM NUMBER

TITLE

IL 00 17 11 98	Common Policy Conditions
IL 00 21 09 08	Nuclear Energy Liability Exclusion Endorsement (Broad Form)
IL 02 50 09 08	Tennessee Changes - Cancellation and Nonrenewal
IL 09 35 07 02	Exclusion of Certain Computer-Related Losses
IL 09 52 01 15	Cap On Losses From Certified Acts Of Terrorism
IM 71 00 06 04	Installation Floater Coverage

Issue Date

01/02/20

Authorized Representative

To report a claim, call your Agent or 1-844-325-2467

DS 70 27 01 08



Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

**Commercial Property
Declarations -Revised**

Named Insured

Agent

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

SUMMARY OF CHARGES

Explanation of Charges	DESCRIPTION	PREMIUM
	Property Schedule Totals	\$3,046.00
	Certified Acts of Terrorism Coverage	\$40.00

Total Advance Charges: \$3,086.00

Note: This is not a bill

To report a claim, call your Agent or 1-844-325-2467

DS 70 22 01 08



Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

Commercial Property
Declarations Schedule -Revised

Named Insured

Agent

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

SUMMARY OF PROPERTY COVERAGES - BY LOCATION

Insurance at the described premises applies only for coverages for which a limit of insurance is shown. Optional coverages apply only when entries are made in this schedule.

0001 2579 N 9th Ave Bldg 1, Humboldt, TN 38343-1717

Property
Characteristics

Description:

Construction: Non-Combustible

Building
Coverage

Occupancy: Welding Or Cutting - Welding Shops

Description

Limit of Insurance - Replacement Cost **\$233,772**

Coinsurance **90%**

Covered Causes of Loss

Special Form - Including Theft

Deductible - All Covered Causes of Loss Unless Otherwise Stated **\$1,000**

Roof Surfacing Cosmetic Loss Exclusion See Endorsement CP8836

Premium \$1,190.00

To report a claim, call your Agent or 1-844-325-2467

DS 70 23 01 08



Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

Commercial Property
Declarations Schedule -Revised

Named Insured

Agent

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

SUMMARY OF PROPERTY COVERAGES - BY LOCATION

Continuation of 2579 N 9th Ave Bldg 1, Humboldt, TN 38343-1717

Your Business

**Personal Property
Coverage**

Occupancy:

Description

Limit of Insurance - Replacement Cost **\$241,164**

Coinurance **90%**

Covered Causes of Loss

Special Form - Including Theft

Deductible - All Covered Causes of Loss Unless Otherwise Stated **\$1,000**

Premium \$1,269.00

0002 2579 N 9th Ave Bldg 2, Humboldt, TN 38343-1717

Property

Characteristics

Description:

Construction: Frame

To report a claim, call your Agent or 1-844-325-2467

DS 70 23 01 08



Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

Commercial Property
Declarations Schedule -Revised

Named Insured

Agent

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

SUMMARY OF PROPERTY COVERAGES - BY LOCATION

Continuation of 2579 N 9th Ave Bldg 2, Humboldt, TN 38343-1717

**Building
Coverage**

Occupancy: Welding Or Cutting - Contractors Equipment Storage

Description

Limit of Insurance - Replacement Cost **\$35,424**

Coinurance **90%**

Covered Causes of Loss

Special Form - Including Theft

Deductible - All Covered Causes of Loss Unless Otherwise Stated **\$1,000**

Roof Surfacing Cosmetic Loss Exclusion See Endorsement CP8836

Premium \$325.00

SUMMARY OF OTHER PROPERTY COVERAGES

**Identity Theft
Administrative
Services**

Description

Limit of Insurance See Endorsement CP9059

And Expense Coverage

Premium \$12.00

**Property
Extension
Endorsement**

Description

Construction Plus Extension **\$250.00**

Premium \$250.00

Commercial Property Schedule Total:

\$3,046.00

To report a claim, call your Agent or 1-844-325-2467

DS 70 23 01 08



Coverage is Provided In:
West American Insurance Company

Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

**Commercial Inland Marine
Declarations -Revised**

Named Insured

Agent

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

SUMMARY OF CHARGES

Explanation of Charges	DESCRIPTION	PREMIUM
	<u>Installation Floater Coverage</u>	<u>\$250.00</u>
	<u>Commercial Inland Marine Schedule Totals</u>	<u>\$250.00</u>
	<u>Certified Acts of Terrorism Coverage</u>	<u>\$3.00</u>

Total Advance Charges: \$253.00

Note: This is not a bill

To report a claim, call your Agent or 1-844-325-2467

DS 70 22 01 08



Coverage is provided by:
West American Insurance Company

Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

Commercial Inland Marine
Declarations Schedule -Revised
Agent

Named Insured

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

INSTALLATION FLOATER COVERAGE

-

PROPERTY COVERED

(X) Blanket Coverage

	Limit
Jobsite Limit -- The most "we" pay for loss to any one "jobsite" is:	\$ <u>25,000</u>
Catastrophe Limit -- The most "we" pay for loss to any one occurrence is:	\$ <u>25,000</u>

() Scheduled Locations Coverage

Loc. No.	Location	Limit
_____	_____	\$ _____

Catastrophe Limit -- The most "we" pay for loss to any one occurrence is: \$ _____

COVERAGE EXTENSIONS

Additional Debris Removal Expenses	\$ <u>5,000</u>
Emergency Removal	<u>10</u> days
Limited Fungus Coverage	\$ <u>15,000</u>

SUPPLEMENTAL COVERAGES

Contract Penalty	\$ <u>5,000</u>
Pollutant Cleanup and Removal	\$ <u>10,000</u>
Sewer Backup Coverage	\$ <u>5,000</u>
Storage Locations	\$ <u>5,000</u>
Testing	\$ <u>5,000</u>
Transit	\$ <u>5,000</u>

To report a claim, call your Agent or 1-844-325-2467

IM 71 05 04 04



Coverage is provided by:
West American Insurance Company

Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

Commercial Inland Marine
Declarations Schedule -Revised
Agent

Named Insured

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

SUPPLEMENTAL COVERAGES (cont)

Earthquake Coverage

Earthquake Limit -- The most "we" pay
for loss to any one building or
structure is:

\$ _____

Earthquake Catastrophe Limit -- The most
"we" pay for loss in any one occurrence is:

\$ _____

Flood Coverage

Flood Limit -- The most "we" pay
for loss to any one building or
structure is:

\$ _____

Flood Catastrophe Limit -- The most
"we" pay for loss in any one occurrence is:

\$ _____

DEDUCTIBLE

Deductible Amount

\$ 500

Deductible Amount

() Earthquake Coverage

\$ _____

() Flood Coverage

\$ _____

() Sewer Backup Coverage

\$ _____

COINSURANCE

() Not Applicable

() 80% (X) 90% () 100% () Other _____%

To report a claim, call your Agent or 1-844-325-2467

IM 71 05 04 04

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Coverage is Provided In:
West American Insurance Company

Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

**Commercial General Liability
Declarations -Revised**

Basis: Occurrence

Named Insured

Agent

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

SUMMARY OF LIMITS AND CHARGES

Commercial General Liability Limits of Insurance	DESCRIPTION	LIMIT
	Each Occurrence Limit	1,000,000
	Damage To Premises Rented To You Limit (Any One Premises)	200,000
	Medical Expense Limit (Any One Person)	15,000
	Personal and Advertising Injury Limit	1,000,000
	General Aggregate Limit (Other than Products - Completed Operations)	1,000,000
	Products - Completed Operations Aggregate Limit	1,000,000

Explanation of Charges	DESCRIPTION	PREMIUM
	General Liability Schedule Totals	5,586.00
	Certified Acts of Terrorism Coverage	22.00

Total Advance Charges: \$5,608.00

Note: This is not a bill

To report a claim, call your Agent or 1-844-325-2467



Coverage is Provided In:
West American Insurance Company

Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

**Commercial General Liability
Declarations Schedule -Revised**

Named Insured

Agent

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

SUMMARY OF CLASSIFICATIONS - BY LOCATION

0001 2579 N 9th Ave Bldg 1, Humboldt, TN 38343-1717

Insured: J & S WELDING INC

CLASSIFICATION - 99969

Welding Or Cutting

COVERAGE DESCRIPTION	PREMIUM BASED ON - Individual Payroll	RATED / PER 1,000	PREMIUM
Premise/Operations	13,300 Dollars Of Payroll	20.602	\$274.00
<i>Total:</i>			\$274.00
Products/Completed Operations		14.548	\$193.00
<i>Total:</i>			\$193.00

CLASSIFICATION - 99969

Welding Or Cutting

COVERAGE DESCRIPTION	PREMIUM BASED ON - Employees Payroll	RATED / PER 1,000	PREMIUM
Premise/Operations	145,633 Dollars Of Payroll	20.602	\$3,000.00
<i>Total:</i>			\$3,000.00
Products/Completed Operations		14.548	\$2,119.00
<i>Total:</i>			\$2,119.00

Commercial General Liability Schedule Total

\$5,586.00

To report a claim, call your Agent or 1-844-325-2467



Policyholder Information

Named Insured & Mailing Address

J & S WELDING INC
2579 N 9TH AVE
HUMBOLDT, TN 38343

Agent Mailing Address & Phone No.

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE
PO BOX 347
HUMBOLDT, TN 38343-0347

Dear Policyholder:

Your
Commercial
Documents

We know you work hard to build your business. We work together with your agent, **SUNSTAR INSURANCE GROUP, LLC DBA (731) 784-9171** to help protect the things you care about. Thank you for selecting us.

THIS IS
NOT A
BILL

Enclosed are your insurance documents consisting of:

- Commercial Package

To find your specific coverages, limits of liability, and premium, please refer to your Declarations page(s).

If you have any questions or changes that may affect your insurance needs, please contact your Agent at (731) 784-9171



Reminders

- Verify that all information is correct
- If you have any changes, please contact your Agent at (731) 784-9171
- In case of a claim, call your Agent or 1-844-325-2467

You Need To Know

- CONTINUED ON NEXT PAGE

To report a claim, call your Agent or 1-844-325-2467

DS 70 20 01 08



56415845

002285

420

of 198

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You Need To Know - continued

- **NOTICE(S) TO POLICYHOLDER(S)**

The Important Notice(s) to Policyholder(s) provide a general explanation of changes in coverage to your policy. The Important Notice(s) to Policyholder(s) is not a part of your insurance policy and it does not alter policy provisions or conditions. Only the provisions of your policy determine the scope of your insurance protection. It is important that you read your policy carefully to determine your rights, duties and what is and is not covered.

FORM NUMBER	TITLE
CNI90 10 10 18	Important Notice To Policyholders Exclusion - Tobacco, Tobacco Products, Nicotine, Nicotine Products and Electronic Smoking Devices
CNI90 11 07 18	Reporting A Commercial Claim 24 Hours A Day
NP 72 42 01 15	Terrorism Insurance Premium Disclosure And Opportunity To Reject
NP 73 47 11 16	Premium Determination for Subcontractors
NP 74 06 01 06	Flood Insurance Notice
NP 74 44 09 06	U.S. Treasury Department's Office of Foreign Assets Control (OFAC) Advisory Notice to Policyholders
NP 74 50 01 07	Important Audit Information
NP 89 69 11 10	Important Policyholder Information Concerning Billing Practices
NP 91 56 10 14	Important Policyholder Notice Installation Floater Coverage
NP 94 05 01 14	Important Notice to Policyholders - Changes in Coverage - Commercial Property Coverage Part - Edition 10 12
NP 94 52 03 15	General Liability Multistate Forms Revision Advisory Notice to Policyholders
NP 94 65 04 13	Important Notice To Policyholders ISO 04-13 General Liability Multistate Forms Revision
NP 95 94 02 15	Important Notice to Policyholders Broadenings and Potential Reductions of Coverage Property Extension Endorsement (CP 88 00 02 15)
NP 96 00 10 14	General Liability Access Or Disclosure Of Confidential Or Personal Information Exclusions Advisory Notice To Policyholders
NP 97 04 09 14	Important Policyholder Notice Concerning Your Employment Practices Liability Coverage Form
NP 97 13 02 15	Important Notice to Policyholders Broadenings and Potential Reductions of Coverage Property Extension Plus for Construction (CP 89 00 02 15)
SNI90 01 12 18	Policyholder Notice - Company Contact Information

- This policy will be direct billed. You may choose to combine any number of policies on one bill with your billing account. Please contact your agent for more information.

IMPORTANT NOTICE TO POLICYHOLDERS

EXCLUSION - TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS AND ELECTRONIC SMOKING DEVICES

This Notice explains changes in your Commercial General Liability, Products/Completed Operations, Commercial Umbrella and/or Commercial Excess renewal policy. It contains a brief synopsis of the change and must be reviewed in conjunction with your expiring and renewal policies to reference the forms described herein.

This Notice does not form a part of your insurance contract. The Notice is designed to alert you to changes in your Commercial General Liability Coverage Form, Products/Completed Operations Coverage Form, Commercial Umbrella Coverage Form and/or Commercial Excess Coverage Form. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

Carefully read your renewal and expiring policies, including the endorsements attached to your renewal and expiring policies. If you have any questions, please contact your agent.

SUMMARY OF POLICY CHANGES

*If your renewal policy contains endorsement **CG 88 84 10 18 EXCLUSION - TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS OR ELECTRONIC SMOKING DEVICES** and your expiring policy contained **CG 88 84 12 08 EXCLUSION - TOBACCO** or did or did not contain a similar endorsement, the following change applies to your policy:*

RESTRICTIONS IN COVERAGE

This exclusion removes coverage for bodily injury, property damage and personal and advertising injury arising or allegedly arising, in whole or in part, out of tobacco, tobacco products, nicotine, nicotine products and electronic smoking devices.

EDITORIAL CHANGES

New defined terms "electronic smoking device", "nicotine or nicotine products" and "tobacco or tobacco products" are added.

*If your renewal policy contains endorsement **CG 93 18 10 18 ALASKA CHANGES - EXCLUSION - TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS OR ELECTRONIC SMOKING DEVICES** and your expiring policy contained **CG 88 84 12 08 EXCLUSION - TOBACCO** or did or did not contain a similar endorsement, the following change applies to your policy:*

RESTRICTIONS IN COVERAGE

This exclusion removes coverage for bodily injury, property damage and personal and advertising injury arising or allegedly arising out of tobacco, tobacco products, nicotine, nicotine products and electronic smoking devices.

EDITORIAL CHANGES

New defined terms "electronic smoking device", "nicotine or nicotine products" and "tobacco or tobacco products" are added.

*If your renewal policy contains endorsement **CG 90 20 10 18 NEW YORK CHANGES - EXCLUSION - TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS OR ELECTRONIC SMOKING DEVICES** and your expiring policy contained **CG 90 20 04 12 NEW YORK CHANGES - EXCLUSION - TOBACCO PRODUCTS** or did or did not contain a similar endorsement, the following change applies to your policy:*

RESTRICTIONS IN COVERAGE

This exclusion removes coverage for bodily injury, property damage and personal and advertising injury arising or allegedly arising out of nicotine, nicotine products and electronic smoking devices and the deleterious health effects associated with the use of tobacco or tobacco products.

EDITORIAL CHANGES

New defined terms "electronic smoking device", "nicotine or nicotine products" and "tobacco or tobacco products" are added.

*If your renewal policy contains endorsement **CG 88 85 10 18 EXCLUSION - TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS OR ELECTRONIC SMOKING DEVICES** and your expiring policy contained **CG 88 85 12 08 EXCLUSION - TOBACCO** or did or did not contain a similar endorsement, the following change applies to your policy:*

RESTRICTIONS IN COVERAGE

This exclusion removes coverage for bodily injury and property damage arising or allegedly arising, in whole or in part, out of tobacco, tobacco products, nicotine, nicotine products and electronic smoking devices.

EDITORIAL CHANGES

New defined terms "electronic smoking device", "nicotine or nicotine products" and "tobacco or tobacco products" are added.

*If your renewal policy contains endorsement **CG 93 19 10 18 ALASKA CHANGES - EXCLUSION - TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS OR ELECTRONIC SMOKING DEVICES** and your expiring policy contained **CG 88 85 12 08 EXCLUSION - TOBACCO** or did or did not contain a similar endorsement, the following change applies to your policy:*

RESTRICTIONS IN COVERAGE

This exclusion removes coverage for bodily injury and property damage arising or allegedly arising out of tobacco, tobacco products, nicotine, nicotine products and electronic smoking devices.

EDITORIAL CHANGES

New defined terms "electronic smoking device", "nicotine or nicotine products" and "tobacco or tobacco products" are added.

*If your renewal policy contains endorsement **CG 90 21 10 18 NEW YORK CHANGES - EXCLUSION - TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS OR ELECTRONIC SMOKING DEVICES** and your expiring policy contained **CG 90 21 04 12 NEW YORK CHANGES - EXCLUSION - TOBACCO PRODUCTS** or did or did not contain a similar endorsement, the following change applies to your policy:*

RESTRICTIONS IN COVERAGE

This exclusion removes coverage for bodily injury and property damage arising or allegedly arising out of nicotine, nicotine products and electronic smoking devices and the deleterious health effects associated with the use of tobacco or tobacco products.

EDITORIAL CHANGES

New defined terms "electronic smoking device", "nicotine or nicotine products" and "tobacco or tobacco products" are added.

*If your renewal policy contains endorsement **CG 93 20 10 18 GEORGIA CHANGES - EXCLUSION - TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS OR ELECTRONIC SMOKING DEVICES** and your expiring policy contained **CG 88 85 12 08 EXCLUSION - TOBACCO** or did not contain a similar endorsement, the following change applies to your policy:*

RESTRICTIONS IN COVERAGE

This exclusion removes coverage for bodily injury, property damage and personal and advertising injury arising or allegedly arising, in whole or in part, out of the possession, sale or distribution of tobacco, tobacco products, nicotine, nicotine products and electronic smoking devices.

EDITORIAL CHANGES

New defined terms "electronic smoking device", "nicotine or nicotine products" and "tobacco or tobacco products" are added.

*If your renewal policy contains endorsement **CG 93 21 10 18 GEORGIA CHANGES - EXCLUSION - TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS OR ELECTRONIC SMOKING DEVICES** and your expiring policy contained **CG 88 84 12 08 EXCLUSION - TOBACCO** or did not contain a similar endorsement, the following change applies to your policy:*

RESTRICTIONS IN COVERAGE

This exclusion removes coverage for bodily injury, property damage and personal and advertising injury arising or allegedly arising, in whole or in part, out of the possession, sale or distribution of tobacco, tobacco products, nicotine, nicotine products and electronic smoking devices.

EDITORIAL CHANGES

New defined terms "electronic smoking device", "nicotine or nicotine products" and "tobacco or tobacco products" are added.

*If your renewal policy contains endorsement **CU 88 90 10 18 TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS OR ELECTRONIC SMOKING DEVICES EXCLUSION** and your expiring policy contained **CU 88 90 07 16 TOBACCO EXCLUSION** or did or did not contain a similar endorsement, the following change applies to your policy:*

RESTRICTIONS IN COVERAGE

This exclusion removes coverage for bodily injury, property damage and personal and advertising injury arising or allegedly arising, in whole or in part, out of tobacco, tobacco products, nicotine, nicotine products and electronic smoking devices.

EDITORIAL CHANGES

New defined terms "electronic smoking device", "nicotine or nicotine products" and "tobacco or tobacco products" are added.

*If your renewal policy contains endorsement **CU 88 94 10 18 ALASKA TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS OR ELECTRONIC SMOKING DEVICES EXCLUSION** and your expiring policy contained **CU 88 94 01 12 TOBACCO EXCLUSION - ALASKA** or did or did not contain a similar endorsement, the following change applies to your policy:*

RESTRICTIONS IN COVERAGE

This exclusion removes coverage for bodily injury, property damage and personal and advertising injury arising or allegedly arising out of tobacco, tobacco products, nicotine, nicotine products and electronic smoking devices.

EDITORIAL CHANGES

New defined terms "electronic smoking device", "nicotine or nicotine products" and "tobacco or tobacco products" are added.

*If your renewal policy contains endorsement **CU 90 55 10 18 NEW YORK TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS OR ELECTRONIC SMOKING DEVICES EXCLUSION** and your expiring policy contained **CU 60 61 06 97 TOBACCO HEALTH HAZARD EXCLUSION** or did or did not contain a similar endorsement, the following change applies to your policy:*

RESTRICTIONS IN COVERAGE

This exclusion removes coverage for bodily injury, property damage and personal and advertising injury arising or allegedly arising out of nicotine, nicotine products and electronic smoking devices and the deleterious health effects associated with the use of tobacco or tobacco products.

EDITORIAL CHANGES

New defined terms "electronic smoking device", "nicotine or nicotine products" and "tobacco or tobacco products" are added.

*If your renewal policy contains endorsement **CU 90 57 10 18 GEORGIA TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS OR ELECTRONIC SMOKING DEVICES EXCLUSION** and your expiring policy contained **CU 88 90 07 16 TOBACCO EXCLUSION** or did not contain a similar endorsement, the following change applies to your policy:*

RESTRICTIONS IN COVERAGE

This exclusion removes coverage for bodily injury, property damage and personal and advertising injury arising or allegedly arising, in whole or in part, out of the possession, sale or distribution of tobacco, tobacco products, nicotine, nicotine products and electronic smoking devices.

EDITORIAL CHANGES

New defined terms "electronic smoking device", "nicotine or nicotine products" and "tobacco or tobacco products" are added.

If your renewal policy contains endorsement **CE 88 75 10 18 TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS OR ELECTRONIC SMOKING DEVICES EXCLUSION** and your expiring policy contained **CE 88 75 07 16 TOBACCO EXCLUSION** or did or did not contain a similar endorsement, the following change applies to your policy:

RESTRICTIONS IN COVERAGE

This exclusion removes coverage for bodily injury, property damage and personal and advertising injury arising or allegedly arising, in whole or in part, out of tobacco, tobacco products, nicotine, nicotine products and electronic smoking devices.

EDITORIAL CHANGES

New defined terms "electronic smoking device", "nicotine or nicotine products" and "tobacco or tobacco products" are added.

If your renewal policy contains endorsement **CE 88 86 10 18 ALASKA TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS OR ELECTRONIC SMOKING DEVICES EXCLUSION** and your expiring policy contained **CE 88 86 07 16 TOBACCO EXCLUSION** or did or did not contain a similar endorsement, the following change applies to your policy:

RESTRICTIONS IN COVERAGE

This exclusion removes coverage for bodily injury, property damage and personal and advertising injury arising or allegedly arising out of tobacco, tobacco products, nicotine, nicotine products and electronic smoking devices.

EDITORIAL CHANGES

New defined terms "electronic smoking device", "nicotine or nicotine products" and "tobacco or tobacco products" are added.

If your renewal policy contains endorsement **CE 89 11 10 18 NEW YORK TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS OR ELECTRONIC SMOKING DEVICES EXCLUSION** and your expiring policy contained **CE 65 70 06 97 TOBACCO HEALTH HAZARD EXCLUSION** or did or did not contain a similar endorsement, the following change applies to your policy:

RESTRICTIONS IN COVERAGE

This exclusion removes coverage for bodily injury, property damage and personal and advertising injury arising or allegedly arising out of nicotine, nicotine products and electronic smoking devices and the deleterious health effects associated with the use of tobacco or tobacco products.

EDITORIAL CHANGES

New defined terms "electronic smoking device", "nicotine or nicotine products" and "tobacco or tobacco products" are added.

If your renewal policy contains endorsement **CE 89 14 10 18 GEORGIA TOBACCO, TOBACCO PRODUCTS, NICOTINE, NICOTINE PRODUCTS OR ELECTRONIC SMOKING DEVICES EXCLUSION** and your expiring policy contained **CE 88 75 07 16 TOBACCO EXCLUSION** or did not contain a similar endorsement, the following change applies to your policy:

RESTRICTIONS IN COVERAGE

This exclusion removes coverage for bodily injury, property damage and personal and advertising injury arising or allegedly arising, in whole or in part, out of the possession, sale or distribution of tobacco, tobacco products, nicotine, nicotine products and electronic smoking devices.

EDITORIAL CHANGES

New defined terms "electronic smoking device", "nicotine or nicotine products" and "tobacco or tobacco products" are added.

REPORTING A COMMERCIAL CLAIM 24 HOURS A DAY

Liberty Mutual Insurance claims professionals across the United States are ready to resolve your claim quickly and fairly, so you and your team can focus on your business. Our claims teams are specialized, experienced and dedicated to a high standard of service.

We're Just a Call Away - One Phone Number to Report All Commercial Insurance Claims

Reporting a new claim has never been easier. A Liberty Mutual customer service representative is available to you 24/7 at **800-362-0000** for reporting new property, auto, liability and workers' compensation claims. With contact centers strategically located throughout the country for continuity and accessibility, we're there when we're needed!

Additional Resource for Workers' Compensation Customers

In many states, employers are required by law to use state-specific workers compensation claims forms and posting notices. This type of information can be found in the Policyholders Toolkit section of our website along with other helpful resources such as:

- Direct links to state workers compensation websites where you can find state-specific claim forms
- Assistance finding local medical providers
- First Fill pharmacy forms - part of our managed care pharmacy program committed to helping injured workers recover and return to work

Our Policyholder Toolkit can be accessed at www.libertymutualgroup.com/toolkit.

For all claims inquiries please call us at **800-362-0000**.

08/28/19

J & S WELDING INC

BKW (20) 56 41 58 45

From 11/04/2019 To 11/04/2020

2579 N 9TH AVE

HUMBOLDT, TN 38343

(731) 784-9171

SUNSTAR INSURANCE GROUP, LLC DBA

FSB INSURANCE

PO BOX 347

HUMBOLDT, TN 38343-0347

TERRORISM INSURANCE PREMIUM DISCLOSURE
AND OPPORTUNITY TO REJECT

This notice contains important information about the Terrorism Risk Insurance Act and its effect on your policy. Please read it carefully.

THE TERRORISM RISK INSURANCE ACT

The Terrorism Risk Insurance Act, including all amendments ("TRIA" or the "Act"), establishes a program to spread the risk of catastrophic losses from certain acts of terrorism between insurers and the federal government. If an individual insurer's losses from certified acts of terrorism exceed a specified deductible amount, the government will reimburse the insurer for a percentage of losses (the "Federal Share") paid in excess of the deductible, but only if aggregate industry losses from such acts exceed the "Program Trigger". An insurer that has met its insurer deductible is not liable for any portion of losses in excess of \$100 billion per year. Similarly, the federal government is not liable for any losses covered by the Act that exceed this amount. If aggregate insured losses exceed \$100 billion, losses up to that amount may be pro-rated, as determined by the Secretary of the Treasury.

The Federal Share and Program Trigger by calendar year are:

Calendar Year	Federal Share	Program Trigger
2015	85%	\$100,000,000
2016	84%	\$120,000,000
2017	83%	\$140,000,000
2018	82%	\$160,000,000
2019	81%	\$180,000,000
2020	80%	\$200,000,000

MANDATORY OFFER OF COVERAGE FOR "CERTIFIED ACTS OF TERRORISM" AND DISCLOSURE OF PREMIUM

TRIA requires insurers to make coverage available for any loss that occurs within the United States (or outside of the U.S. in the case of U.S. missions and certain air carriers and vessels), results from a "certified act of terrorism" AND that is otherwise covered under your policy.

A "certified act of terrorism" means:

[A]ny act that is certified by the Secretary [of the Treasury], in consultation with the Secretary of Homeland Security, and the Attorney General of the United States.

(i) to be an act of terrorism;

- (ii) to be a violent act or an act that is dangerous to -
- (I) human life;
 - (II) property; or
 - (III) infrastructure;
- (iii) to have resulted in damage within the United States, or outside of the United States in the case of -
- (I) an air carrier (as defined in section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States); or
 - (II) the premises of a United States mission; and
- (iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

REJECTING TERRORISM INSURANCE COVERAGE - WHAT YOU MUST DO

We have included in your policy coverage for losses resulting from "certified acts of terrorism" as defined above.

THE PREMIUM CHARGE FOR THIS COVERAGE APPEARS ON THE DECLARATIONS PAGE OF THE POLICY AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT. If we are providing you with a quote, the premium charge will also appear on your quote as a separate line item charge.

IF YOU CHOOSE TO REJECT THIS COVERAGE, PLEASE CHECK THE BOX BELOW, SIGN THE ACKNOWLEDGMENT, AND RETURN THIS FORM TO THE ADDRESS BELOW: **Please ensure any rejection is received within thirty (30) days of the effective date of your policy.**

Before making a decision to reject terrorism insurance, refer to the Disclaimer for Standard Fire Policy States located at the end of this Notice.

☐ I hereby reject this offer of coverage. I understand that by rejecting this offer, I will have no coverage for losses arising from "certified acts of terrorism" and my policy will be endorsed accordingly.

Policyholder/Applicant's Signature

Print Name

Date Signed

Named Insured

Policy Number

J & S WELDING INC

BKW (20) 56 41 58 45

Policy Effective/Expiration Date

From 11/04/2019 To 11/04/2020

IF YOU REJECTED THIS COVERAGE, PLEASE RETURN THIS FORM TO:

Attn: Commercial Lines Division - Terrorism
PO Box 66400
London, KY 40742-6400

Note: Certain states (currently CA, GA, IA, IL, ME, MO, NY, NC, NJ, OR, RI, WA, WI and WV) mandate coverage for loss caused by fire following a "certified act of terrorism" in certain types of insurance policies. If you reject TRIA coverage in these states on those policies, you will not be charged any additional premium for that state mandated coverage.

The summary of the Act and the coverage under your policy contained in this notice is necessarily general in nature. Your policy contains specific terms, definitions, exclusions and conditions. In case of any conflict, your policy language will control the resolution of all coverage questions. Please read your policy carefully.

If you have any questions regarding this notice, please contact your agent.

IMPORTANT NOTICE NOTICE TO POLICYHOLDERS

This explanation is not a part of your insurance policy, and it does not alter any of its provisions or conditions.

Please refer any questions you may have to your insurance agent.

As a construction related insured, a portion of your construction operations may be performed by subcontractors. In order to minimize your loss exposure and reduce your premium charge for subcontracted work, your subcontractors must carry adequate insurance.

Please read the following carefully to understand:

1. What is an "Adequately Insured Subcontractor"?

"A subcontractor that has a valid certificate of insurance showing proof of Commercial General Liability coverage, or its equivalency, with the Named Insured shown as a Certificate Holder and at least \$300,000 (Occurrence) limits for the period of time work was performed."

2. How do we determine your premium for an "Adequately Insured Subcontractor"?

We will use the total cost of the subcontracted work to determine your premium regarding your Commercial General Liability coverage. The resulting premium charge to you will normally be much less than if the subcontractor is uninsured or carries an inadequately limit of insurance.

In order to meet the requirement of having an "Adequately Insured Subcontractor", you must present satisfactory evidence of subcontractor's insurance by providing us with a valid Certificate of Insurance from your subcontractor, at the time of audit. The certificate must show proof of Commercial General Liability coverage with you as the Certificate Holder and at least \$300,000 (Occurrence) limit for the period of time that the subcontractor performed work for you.

If you do not have satisfactory evidence of subcontractors insurance at the time of audit, your subcontractors will be deemed inadequately insured.

3. How do we determine your premium for an inadequately insured subcontractor?

If you cannot provide satisfactory evidence of the subcontractor's insurance at the time of audit, such as not being able to provide a Certificate of Insurance or the Certificate of Insurance has limits less than \$300,000 (Occurrence), we will determine the premium for the inadequately insured subcontractor as follows:

The subcontractor will be classed according to type of construction operation performed and charged the same as an employee. At the time of audit, we will request that you provide us with the subcontractor's payroll amount and a description of work performed for you.

If we can not determine the subcontractor's payroll, your premium charge for the inadequately insured subcontractor will be based on the following:

If the insured's records do not disclose a breakdown between material and labor costs, but the total subcontract costs did include materials, use a minimum of 50% of the total cost as the premium basis.

If the subcontractor work was for labor only, use 90% of the total subcontract cost as the rating basis.

4. What records and documentation are you required to maintain?

Please be sure that you keep clear and accurate records with a breakdown of payrolls and subcontractor costs by type of work performed. In addition, be sure to obtain and save satisfactory evidence of subcontractor's insurance, such as Certificates of Insurance regarding all of your subcontractors.

On the reverse side of the "Important Notice to Policyholders" we have included a helpful Example Subcontractor Worksheet, WS 70 03 06 00, that may assist you to establishing an organized method of monitoring your subcontractor's work and their Certificates of Insurance.

EXAMPLE**Subcontractor Worksheet****Agency:****Policy Number:**

Name of Subcontractor	Description of Operation	Total Cost Paid to Subcontractor	Cost Paid to Subcontractor for Materials Only	Certificate of Insurance for Workers Comp Coverage	Certificate of Insurance for General Liability with at least \$300,000 limits per Occurrence
				(Y) or (N)	(Y) or (N)
Jones Excavating	Foundations excavated	\$15,000	\$5,000	Y	Y
Hart Electrical	Residential Work	\$7,000	\$0	Y	Y

WS 70 03 06 00

FLOOD INSURANCE NOTICE

Unless a Flood Coverage endorsement is attached, your policy does not provide flood coverage and you will **not** have coverage for property damage from floods unless you purchase a separate policy for flood insurance through the Federal Emergency Management Agency (FEMA) National Flood Insurance Program.

If you would like more information about obtaining coverage under the National Flood Insurance Program, please contact your agent.

NP 74 44 09 06

**U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN
ASSETS CONTROL ("OFAC")
ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

Please refer any questions you may have to your insurance agent.

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site - <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

NP 74 50 01 07

Important Notice Notice to Policyholders

This explanation is not a part of your insurance policy, and it does not alter any of its provisions or conditions.

Please refer any questions you may have to your insurance agent.

We would like to thank you for being a policyholder. We appreciate your business.

If your policy contains a condition stating it is subject to a premium audit we would like to take this opportunity to explain how the audit process works and answer the most common questions we receive from our policyholders. The information in this notice will make it easier for you to prepare for your audit.

Insurance Premium Audit Facts

Audits can benefit our policyholders by allowing us to collect the appropriate amount of premium for each policy.

Most commercial policies are written based on estimated or fluctuating exposure bases. At the end of the policy term an audit will determine the actual exposure bases and the premium will be adjusted accordingly. A company representative will conduct the audit.

The premium auditor will examine and audit records that relate to your policy. The records necessary to complete the audit will vary, based on the coverages you have. Types of records that may be requested for your audit include, but are not limited to:

- Payroll Records, including 941 forms
- Sales Journals or income statements
- General Ledger
- Cash Disbursements Journal
- Subcontractor Certificates

Keeping accurate and complete records will allow the auditor to properly classify and allocate your exposures correctly. Often there are allowable credits available according to insurance manual classification and rating rules. The premium auditor will be able to give you the credits, to which you are entitled, if your records provide the necessary details. Providing the records your auditor needs can save you time and money as well as expedite the audit process.

How Audits are Conducted

Audits are handled in different ways, depending on the types of coverages you may have. We conduct audits in the following ways:

Physical Audit - An auditor will contact you and set up a convenient time to personally come to your business and review your records.

Phone Audit - Forms will be mailed to you, explaining what is necessary to complete a phone audit. The phone auditor will contact you or your bookkeeper for this information.

Voluntary Audit - Forms will be mailed to you for completion. We will provide you with contact information if you need assistance in completing the forms.

NP 74 50 01 07

Completing the audit

Many states have enacted legislation that governs the time in which an audit must be completed, billed and paid. This applies to audits for cancelled policies as well as regular audits. In order to comply with state regulations, it is important to make your records available for audit when our representative contacts you. We will make every effort to complete the audit within a reasonable time after the close of the policy period stated in your policy.

Frequently Asked Questions**Q: What if I use subcontractors?**

A: Subcontractors are factored in to the audit process. Subcontractors who do not have insurance are treated as though they are your employees at the time of the audit. If your subcontractor furnishes you with a certificate of liability or workers' compensation insurance, your insurance cost for that subcontractor could be less. See your policy for details on limits of insurance required for certificates.

Q: I have no employees and work alone. Does the insurance company still need to complete an audit?

A: Yes. The auditor will need to verify you worked alone by examining business records that may include tax filings, disbursements, and check stubs.

Q: Do I need an audit if I have cancelled my policy or am no longer insured with you?

A: An audit may still be necessary even if you no longer have an active policy with us. The audit would cover the time period for which you were insured by us. Other factors that may determine if an audit is necessary include the time the policy was in effect and the amount of premium involved.

Q: If I use leased employees but the leasing company carries the liability, are the leased employees excluded from my General Liability policy?

A: No. The manual rules stipulate that all leased employees are covered on the insured's policy.

Q: Is it necessary to keep records on any casual labor I use?

A: Yes. Casual labor payroll is examined during the audit.

Q: What happens if I do not comply with the audit and fail to provide all necessary records and verification?

A: It's important to provide the necessary information in order to complete the audit. If you fail to do so, your policy may be cancelled or nonrenewed. You may also receive an estimated audit statement based on increased policy exposure estimates due to non-compliance of audit.

If you would like additional information about the policy audit process, your independent agent can assist you. The Premium Audit Department is also available to answer any questions you may have regarding this process.

Please contact us at 1-888-224-9246 or via E-mail at PremiumAuditServices@libertymutual.com

IMPORTANT POLICYHOLDER INFORMATION CONCERNING BILLING PRACTICES

Dear Valued Policyholder: This insert provides you with important information about our policy billing practices that may affect you. Please review it carefully and contact your agent if you have any questions.

Premium Notice: We will mail you a policy Premium Notice separately. The Premium Notice will provide you with specifics regarding your agent, the account and policy billed, the billing company, payment plan, policy number, transaction dates, description of transactions, charges/credits, policy amount balance, minimum amount, and payment due date. This insert explains fees that may apply to and be shown on your Premium Notice.

Available Premium Payment Plans:

- **Annual Payment Plan:** When this plan applies, you have elected to pay the entire premium amount balance shown on your Premium Notice in full. No installment billing fee applies when the Annual Payment Plan applies.
- **Installment Payment Plan:** When this plan applies, you have elected to pay your policy premium in installments (e.g.: quarterly or monthly installments - Installment Payment Plans vary by state). As noted below, an installment fee may apply when the Installment Payment Plan applies.

The Premium Payment Plan that applies to your policy is shown on the top of your Premium Notice. Please contact your agent if you want to change your Payment Plan election.

Installment Payment Plan Fee: If you elected to pay your premiums in installments using the Installment Premium Payment Plan, an installment billing fee applies to each installment bill. The installment billing charge will not apply, however, if you pay the entire balance due when you receive the bill for the first installment. Because the amount of the installment charge varies from state to state, please consult your Premium Notice for the actual fee that applies.

Dishonored Payment Fee: Your financial institution may refuse to honor the premium payment withdrawal request you submit to us due to insufficient funds in your account or for some other reason. If that is the case, and your premium payment withdrawal request is returned to us dishonored, a payment return fee will apply. Because the amount of the return fee varies from state to state, please consult your Premium Notice for the actual fee that applies.

Late Payment Fee: If we do not receive the minimum amount due on or before the date or time the payment is due, as indicated on your Premium Notice, you will receive a policy cancellation notice effective at a future date that will also reflect a late payment fee charge. Issuance of the cancellation notice due to non-payment of a scheduled installment(s) may result in the billing and collection of all or part of any outstanding premiums due for the policy period. Late Payment Fees vary from state to state and are not applicable in some states.

Special Note: Please note that some states do not permit the charging of certain fees. Therefore, if your state does not allow the charging of an Installment Payment Plan, Dishonored Payment or Late Payment Fee, the disallowed fee will not be charged and will not be included on your Premium Notice.

EFT-Automatic Withdrawals Payment Option: When you select this option, you will not be sent Premium Notices and, in most cases, will not be charged installment fees. For more information on our EFT-Automatic Withdrawals payment option, refer to the attached policyholder plan notice and enrollment sheet.

Once again, please contact your agent if you have any questions about the above billing practice information.

Thank you for selecting us to service your insurance needs.

IMPORTANT POLICYHOLDER NOTICE INSTALLATION FLOATER COVERAGE

Dear Valued Policyholder,

Thank you for selecting us as your insurance carrier. This notice contains a brief summary of the coverage changes made to your policy.

The changes outlined below are organized by policy section. This notice does not reference all editorial changes made to the coverage form, only material (or significant) coverage changes.

Please read your policy and review your declarations page for complete coverage information. No coverage is provided by this notice, nor can it be construed to replace any provisions of your policy. If there are discrepancies between your policy and this notice, the policy provisions shall prevail.

Should you have questions after reviewing the changes outlined below, please contact your independent agent. Thank you for your business.

Expiring Form	Expiring Form Number	New Form	New Form Number
Installation Coverage Form	CM 7822 01/98 CM 7822 06/00 CM 7822 06/98	Installation Floater Coverage	IM 7100 06 04

I. BROADENING OF COVERAGE

- PROPERTY COVERED

- There is no requirement to describe the "jobsite" on the schedule of coverages.
- Coverage may be provided on a Blanket or Scheduled basis.
- Coverage Territory includes the territories and possessions of the United States, as well as Puerto Rico.

- PROPERTY NOT COVERED

- Plans and drawings are no longer listed as property not covered

- COVERAGE EXTENSIONS AND SUPPLEMENTAL COVERAGE

- \$5,000 Contract Penalty
- Fungus is included for \$15,000
- Lawns, trees, shrubs and plants are no longer limited
- Earthquake Coverage if indicated on the "schedule of coverages"
- Flood Coverage if indicated on the "schedule of coverages"
- \$5,000 Sewer Backup Coverage
- \$5,000 Storage Locations
- \$5,000 Testing

- EXCLUSIONS

- Collapse is no longer excluded.
- Failure of power is no longer excluded.

II. RESTRICTIVE FEATURES

- DEFINITIONS

- You and your; we, us and our; earth movement; flood; fungus; jobsite; limit; schedule of coverages; sinkhole collapse; specified perils; terms and volcanic action are newly defined terms.

- PROPERTY NOT COVERED

- **COVERAGE EXTENSIONS**

- Additional \$5,000 Debris Removal when the expense exceeds 25% of the amount paid for direct physical loss.
- Fire Department Service Charge of \$2,500 not included
- Inflation Guard is no longer included
- Transit is limited to \$5,000
- Water damage is no longer included

- **EXCLUSIONS**

- Contamination or deterioration is now an excluded peril
- Voluntary parting is now an excluded peril

- **TERM OF COVERAGE**

- Coverage will cease when project has been complete for 30 days

III. CHANGES THAT CLARIFY COVERAGE

- The following Sections have been more clearly defined to reflect intent
 - HOW MUCH WE PAY
 - WHAT MUST BE DONE IN CASE OF LOSS
 - OTHER CONDITIONS

IMPORTANT NOTICE TO POLICYHOLDERS

CHANGES IN COVERAGE

COMMERCIAL PROPERTY COVERAGE PART - EDITION 10 12

Dear Valued Policyholder,

Thank you for selecting us as your carrier for your commercial insurance. The various coverage forms that constitute the Commercial Property Coverage Part of your policy are being updated. As a result, we are amending the policy form(s) listed below, which will result in changes to your coverage.

This notice contains a brief summary of coverage changes organized by policy section. Please note that not all of the endorsements indicated may apply to your specific policy. In addition, this notice does not reference every editorial change made to the endorsement or coverage form; it only reflects significant coverage changes.

Please read your policy and review your Declarations page for complete coverage information. No coverage is provided by this notice, nor can it be construed to replace any provisions of your policy. If there are discrepancies between your policy and this notice, the provisions of the policy shall prevail.

These changes become effective as of the effective date of your replacement policy. Please note that this notice does not apply to you or your policy in the event you have received, or do receive, a notice of cancellation or nonrenewal.

Should you have questions after reviewing the changes outlined below, please contact your independent agent. Thank you for your business.

COVERAGE FORMS, CAUSES OF LOSS FORMS AND RELATED ENDORSEMENTS

1. BROADENINGS OF COVERAGE

- **Civil Authority Additional Coverage (CP 00 30, CP 00 32, CP 00 50)**

The basic coverage period for the Civil Authority Additional Coverage is increased from three weeks to four weeks.

- **Coverage Radius for Business Personal Property and Personal Property of Others (CP 00 10, CP 00 18, CP 00 99, CP 17 98)**

These forms are revised to extend coverage for business personal property and personal property of others to such property when located within 100 feet of the building or 100 feet of the described premises, whichever distance is greater.

- **Debris Removal (CP 00 10, CP 00 17, CP 00 18, CP 00 20, CP 00 80, CP 00 99)**

The additional Limit of Insurance for debris removal expense is increased from \$10,000 to \$25,000.

Further, coverage for debris removal is expanded to include the expense of removing debris of certain property of others. The total expense for all debris removal is subject to the limitations stated in the policy concerning amount of coverage, including the aforementioned additional Limit of Insurance. However, when no Covered Property sustains direct physical loss or damage, coverage for the removal of debris of others' property is limited to \$5,000.

The Outdoor Property Coverage Extension is revised to include debris removal expense for trees, shrubs and plants that are the property of others, except trees, shrubs and plants owned by the landlord of an insured tenant.

Related change: Debris Removal Additional Insurance Endorsement **CP 04 15** makes reference to the policy's aforementioned limit of \$25,000.

- **Electronic Data in Building Equipment (CP 00 10, CP 00 17, CP 00 18, CP 00 30, CP 00 32, CP 00 40, CP 00 50, CP 00 70, CP 00 99)**

The property damage and related Coverage Forms (CP 00 10, CP 00 17, CP 00 18, CP 00 40, CP 00 70, CP 00 99) are revised to remove the \$2,500 limitation on electronic data with respect to loss or damage to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system. Coverage for such electronic data will be considered part of the coverage on the building. Further, under property damage forms, the \$2,500 limitation will no longer apply to stock of prepackaged software. Coverage for prepackaged software will be subject to the Limit of Insurance otherwise applicable to such personal property.

The business interruption Coverage Forms (CP 00 30, CP 00 32, CP 00 50) are revised so that the \$2,500 limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system. A business interruption caused by loss or damage to such electronic data will be subject to the coverage otherwise applicable to a covered business interruption.

- **Entrusted Property (CP 10 30)**

In the Causes Of Loss - Special Form CP 10 30, the exclusion of dishonest or criminal acts is revised to distinguish between those who have a role in the insured's business (partners, managers, employees, etc.) and others to whom property may be entrusted (a category that includes tenants and bailees, for example). With respect to the latter category, the exclusion is narrowed to apply only to theft. Further, the exception to the exclusion (which enables coverage for acts of destruction) is revised to extend applicability to authorized representatives.

- **Extended Business Income, Extended Period of Indemnity (CP 00 30, CP 00 32)**

The number of days' coverage under the Extended Business Income provision is increased from 30 to 60 days. Accordingly, the Extended Period of Indemnity option, if applicable, is revised to begin after 60 days.

- **Fire Department Service Charge (CP 00 10, CP 00 17, CP 00 18, CP 00 20, CP 00 80, CP 00 99)**

The Fire Department Service Charge Additional Coverage is revised to enable purchase of a higher limit of coverage. This is a new coverage option which broadens a policy to which it applies.

- **Outdoor Signs (CP 00 20, CP 00 10, CP 00 17, CP 00 18, CP 00 99)**

In form CP 00 20, the Limit of Insurance for signs attached to the building is increased from \$1,000 per sign to \$2,500 per sign in any one occurrence.

In forms CP 00 10, CP 00 17, CP 00 18 and CP 00 99, the Limit of Insurance for attached outdoor signs is increased from \$1,000 to \$2,500 per sign in any one occurrence. The Limit of Insurance for detached outdoor signs is increased from \$1,000 per-occurrence (in total) to \$2,500 per sign in any one occurrence. Further, coverage for detached outdoor signs is broadened to include all causes of loss otherwise covered under the applicable Causes of Loss form.

- **Party Walls (CP 00 10, CP 00 17, CP 00 20, CP 00 99)**

Potential broadening of coverage: As revised, the above captioned forms identify the exposure (party walls) and convey loss adjusting procedures for it. Under this insurance, loss payment relating to a party wall reflects the insured's partial interest in that wall. However, if the owner of the adjoining building elects not to repair or replace that building (and the building insured under this insurance is being repaired or replaced), this insurance will pay the full value of the party wall subject to all other applicable policy provisions.

- **Property in Storage Units (CP 00 10, CP 00 17, CP 00 18, CP 00 99)**

A Coverage Extension for Business Personal Property Temporarily in Portable Storage Units is introduced. Under this Coverage Extension, a 90-day coverage period is provided for business personal property temporarily stored in a portable storage unit located within 100 feet of the described premises, subject to a sub-limit of \$10,000 regardless of the number of storage units.

- **Specified Causes of Loss - Water Damage (CP 10 30)**

Coverage for water damage under the definition of "specified causes of loss" is expanded to include accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of certain off-premises systems due to wear and tear.

- **Utility Services Exclusion (CP 00 70, CP 00 99, CP 10 10, CP 10 20, CP 10 30)**

With respect to time element coverage, there is a broadening of coverage, in that on-premise failure is limited to situations where the failure involves equipment used to supply utility service from an off-premises source.

- **Vegetated Roofs (CP 00 10, CP 00 17, CP 00 20, CP 00 70, CP 00 99, CP 10 10, CP 10 20, CP 10 30, CP 11 99)**

Property Not Covered is revised to make an exception for lawns, trees, shrubs and plants which are part of a vegetated roof, thereby treating such property as an insured part of the building, so that an existing vegetative roof can be replaced with like kind in the event of a loss, subject to policy terms and certain limitations. Accordingly, lawns, trees, shrubs and plants which are part of a vegetated roof are no longer covered under the more limited Outdoor Property Coverage Extension.

2. POTENTIAL REDUCTIONS OF COVERAGE

- **Civil Authority Additional Coverage (CP 00 30, CP 00 32, CP 00 50)**

For coverage to apply, access to the area immediately surrounding the damaged property must be prohibited by civil authority as a result of the damage and the insured's premises must be within that area, not more than 1 mile from the damaged property.

- **Newly Acquired Property (CP 00 10, CP 00 17, CP 00 18, CP 00 99, CP 17 98)**

Under the Newly Acquired Property Extension, the provision which extends an additional Limit of Insurance to newly acquired business personal property at the described premises is removed. There is no change to the coverage for newly acquired business personal property at newly acquired locations or at newly constructed or acquired buildings at the described location.

- **Utility Services Exclusion (CP 00 70, CP 00 99, CP 10 10, CP 10 20, CP 10 30)**

This exclusion now applies to utility failure that originates at the described premises, when such failure involves equipment used to provide utility service supplied by an off-premises provider. With respect to time element coverage, the aforementioned statement is relevant to the covered building, since the current time element exclusion already includes failure originating on the described premises outside a covered building.

3. REINFORCEMENT OF COVERAGE

- **Artificially Generated Electrical Current Exclusion (CP 00 70, CP 00 99, CP 10 10, CP 10 20, CP 10 30)**

This exclusion has been revised to explicitly incorporate various terms that reflect current understanding of technology with respect to power sources and associated systems, such as electromagnetic energy (including electromagnetic pulse or waves) and microwaves, and the various risks presented by them.

- **Business Personal Property and Personal Property of Others in Described Structures (CP 00 10, CP 00 17, CP 00 18, CP 00 99, CP 17 98, CP 17 99)**

The coverage provisions for Your Business Personal Property and Personal Property of Others are revised to make it explicit that such property is covered when located in the building or structure described in the Declarations.

- **Collapse (CP 00 70, CP 10 20, CP 10 30)**

In forms **CP 00 70** and **CP 10 30**, the exclusion for collapse, and the Additional Coverage - Collapse (which provides limited coverage), are revised to reinforce that relationship.

In form **CP 10 20**, the Additional Coverage - Collapse is revised to reinforce the applicability of such coverage with respect to certain perils that are not otherwise covered by the policy.

- **Coverage Radius With Respect To Business Interruption (CP 00 30, CP 00 32, CP 00 50)**

In part, the coverage criteria for business interruption coverage relate to loss or damage to personal property in the open or in a vehicle within a certain distance from the described premises. The language relating to the coverage radius is revised to achieve more similarity between the radius outlined for insureds who are occupants of the entire premises and those who occupy only a part of the premises, and to use terminology similar to that used in property damage forms.

- **Earth Movement (CP 00 70, CP 00 99, CP 10 10, CP 10 20, CP 10 30)**

The Earth Movement Exclusion now makes explicit reference to earth movement caused by an act of nature or otherwise caused. In addition, the term earthquake now incorporates tremors and aftershocks.

With respect to coverage for Volcanic Action (which is a limited exception to the exclusion of volcanic eruption), all such eruptions that occur within any 168-hour period constitute a single occurrence.

- **Electronic Data (CP 00 10, CP 00 17)**

The coverage provisions are revised to reinforce that the amount of coverage under Additional Coverages - Electronic Data applies in addition to the Limits of Insurance for any other coverages.

- **Electronic Data (CP 00 18, CP 00 99)**

The coverage provisions are revised to reinforce that the amount of coverage for Electronic Data applies in addition to the Limits of Insurance for any other coverages.

- **Fire Department Service Charge (CP 00 10, CP 00 17, CP 00 18, CP 00 20, CP 00 80, CP 00 99)**

The Fire Department Service Charge Coverage is revised to specify that the amount of such coverage (\$1,000 or a designated higher limit) applies to each premises described in the Declarations. Further, the language of the coverage provision is revised to make it explicit that the designated limit applies regardless of the number of responders or the number or type of services performed.

- **Increased Cost of Construction (CP 00 10, CP 00 17)**

The coverage provisions are revised to reinforce that the amount of coverage under Additional Coverages - Increased Cost of Construction applies in addition to the Limits of Insurance for any other coverages.

- **Interruption of Computer Operations Additional Coverage (CP 00 30, CP 00 32, CP 00 50)**

Revisions are made to reinforce that the amount of coverage for the Interruption of Computer Operations Additional Coverage applies in addition to the Limits of Insurance for any other coverages under these forms.

- **Ordinance or Law Exclusion (CP 00 10, CP 00 17, CP 00 18, CP 00 20, CP 00 30, CP 00 32, CP 00 50, CP 00 70, CP 00 80, CP 00 99, CP 10 10, CP 10 20, CP 10 30)**

The language of the Ordinance or Law Exclusion, which relates to enforcement of an ordinance or law, is revised to also refer to compliance with an ordinance or law.

Similar references are revised in the policy's Increased Cost of Construction (ICC) Additional Coverage, Loss Payment and Valuation Conditions, and Replacement Cost Optional Coverage, and in the Period of Restoration definition in the business interruption forms. Further, the ICC coverage grant is revised to explicitly refer to compliance with the minimum standards of an ordinance or law.

- **Product Errors (CP 00 70, CP 10 30)**

Coverage does not apply to loss or damage to any merchandise, goods or other product, caused by error or omission in any stage of the development, production or use of the product. But if the error or omission results in a covered cause of loss, the loss or damage attributable to the covered cause of loss is covered. Coverage intent is reinforced, with an explicit provision, in light of sporadic claims being asserted in contradiction of intent.

- **Risk of Loss (CP 00 70, CP 10 30)**

The term "risk of" is removed from the provisions related to insured perils in the Mortgageholders Errors and Omissions Coverage Form **CP 00 70** and the Causes of Loss - Special Form **CP 10 30**.

- **Supplementary Payments (CP 00 40, CP 00 70)**

These forms are revised to make it more explicit that the amount of coverage under the Supplementary Payments Additional Coverage applies in addition to the Limit of Insurance provided under these forms.

- **Water Exclusion (CP 00 70, CP 00 99, CP 10 10, CP 10 20, CP 10 30)**

The Water Exclusion provided by endorsement **CP 10 32** is incorporated into the aforementioned forms. As a result, endorsement **CP 10 32** is no longer added to the policy.

- **Miscellaneous Changes**

Editorial changes were made to various forms. The revisions are summarized below:

- Condominium Association Coverage Form **CP 00 17** is revised to include a definition of "stock", which is "merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping".
- Standard Property Policy **CP 00 99** is revised to replace the term "Coverage" with the term "policy" in the Concealment, Misrepresentation Or Fraud Additional Condition.
- Causes Of Loss - Basic Form **CP 10 10** and Causes of Loss - Broad Form **CP 10 20** are revised to specify that words and phrases which appear in quotation marks have special meaning and to refer to the Definitions section.

OTHER ENDORSEMENTS

1. BROADENINGS OF COVERAGE

- **Condominium Commercial Unit-owners Optional Coverages Endorsement (CP 04 18)**

This endorsement is revised to provide the means for selecting a limitation (sub-limit) over \$1,000 for assessments that result from a deductible in the insurance purchased by the condominium association. Coverage is broadened if a sub-limit over \$1,000 is entered in the Schedule of the endorsement.

- **Dependent Properties - Business Interruption (CP 15 01, CP 15 02, CP 15 08, CP 15 09, CP 15 34)**

Under the following revised endorsements, secondary contributing locations and secondary recipient locations are covered if so indicated in the Schedule of the endorsement. Such locations are defined in the endorsement.

- CP 15 01 - Business Income From Dependent Properties - Limited International Coverage
- CP 15 02 - Extra Expense From Dependent Properties - Limited International Coverage
- CP 15 08 - Business Income From Dependent Properties - Broad Form
- CP 15 09 - Business Income From Dependent Properties - Limited Form
- CP 15 34 - Extra Expense From Dependent Properties

- **Discharge From Sewer, Drain or Sump (Not Flood-related) Endorsement (CP 10 38)**

This new endorsement covers discharge of water or waterborne material from a sewer, drain or sump located on the described premises.

- **Discretionary Payroll Expense Endorsement (CP 15 04)**

This endorsement enables covering the payroll expense of particular job classifications or employees regardless of whether such expense is necessary to resume operations. Such coverage may be provided for the entire period of restoration or limited to a specified maximum number of days.

- **Flood Coverage Endorsement (CP 10 65)**

Under the Flood Coverage Endorsement, there is no coverage for loss resulting from a flood which begins before or within 72 hours after the inception date of the endorsement. This endorsement is revised to provide that the aforementioned 72-hour waiting period will not apply when the prior policy included flood coverage and the policy periods are consecutive without a break in coverage. Further, the similar 72-hour waiting period for an increase in the Limit of Insurance will not apply to an increase executed at the time of renewal.

Also, this endorsement is revised to add drains and sumps to the provision which covers back-up and overflow from a sewer when such discharge occurs within 72 hours after a flood recedes.

- **Food Contamination (Business Interruption and Extra Expense) Endorsement (CP 15 05)**

This new endorsement covers certain extra expenses and business income losses arising out of food contamination. Separate limits apply to advertising expense and all other coverages under the endorsement. These limits apply on an annual aggregate basis.

- **Increase In Rebuilding Expenses Following Disaster (Additional Expense Coverage On Annual Aggregate Basis) Endorsement (CP 04 09)**

This new endorsement provides limited coverage for the situation in which the cost of repair/replacement of property exceeds the Limit of Insurance due to increases in the cost of labor and/or materials following a disaster.

- **Specified Property Away From Premises Endorsement (CP 04 04)**

This new endorsement provides coverage for business personal property temporarily away from the described premises in the course of daily business activities, while in the care, custody or control of the insured or an employee of the insured.

- **Theft of Building Materials and Supplies (Other Than Builders Risk) Endorsement (CP 10 44)**

This new endorsement extends coverage to encompass theft of building materials and supplies that are located on or within 100 feet of the premises when such property is intended to become a permanent part of the building or structure.

- **Utility Services - Time Element Endorsement (CP 15 45)**

This endorsement is revised to provide the means to select a new category of utility service: wastewater removal property. With respect to the coverage provided under this endorsement, wastewater removal property is a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water.

2. POTENTIAL REDUCTIONS OF COVERAGE

- **Deductibles By Location Endorsement (CP 03 29)**

This new endorsement provides for selected deductibles to apply at each designated building or designated location that has sustained loss or damage. Thus, under this endorsement, multiple deductibles would apply in the event of an occurrence that affects multiple buildings or locations. Under the prior policy, the applicable deductible applied once per occurrence regardless of the number of buildings or locations involved in the loss occurrence (except with respect to special deductibles such as wind or earthquake percentage deductibles, if any).

- **Roof Surfacing Cosmetic Loss Exclusion Endorsement (CP 88 36)**

This new endorsement excludes for the buildings or structures shown in the endorsement schedule cosmetic damage to roof surfacing caused by wind and/or hail.

- **Actual Cash Value - Roof(s) (CP 88 37)**

This new endorsement stipulates that for the buildings or structures shown in the endorsement schedule, we will determine the value of the roof at actual cash value on buildings or structures otherwise subject to replacement cost valuation.

- **Limitation On Loss Settlement - Blanket Insurance (Margin Clause) Endorsement (CP 12 32)**

Under this endorsement, loss payment on an individual property under the blanket is limited to its stated value plus a percentage of that value as shown in the Schedule. The margin does not increase the blanket Limit of Insurance. In the event of partial loss, this endorsement may reduce the amount of loss payment in comparison to a blanket policy without a margin clause.

3. REINFORCEMENT OF COVERAGE

- **Builders Risk - Theft of Building Materials, Fixtures, Machinery, Equipment Endorsement (CP 11 21)**

The exclusion of dishonest or criminal acts is revised to add reference to members, officers, managers, temporary employees and leased workers.

- **Building Glass - Tenant's Policy (CP 14 70)**

Endorsement **CP 14 70**, Building Glass - Tenant's Policy, is introduced to enable coverage of building glass under a tenant's policy that does not otherwise cover the building. This endorsement includes a line item for a deductible in the Schedule of the endorsement. A deductible will apply to building glass coverage only if a deductible amount is entered in the Schedule.

- **Building Owner - Additional Insured and Loss Payee (CP 12 19, CP 12 18)**

Endorsement **CP 12 19**, Additional Insured - Building Owner, enables adding the building owner as an additional Named Insured under a tenant's Building Coverage.

Endorsement CP 12 18, Loss Payable Provisions, is revised to add an option, Building Owner Loss Payable, to identify the building owner and recognize that entity as a loss payee.

- **Business Income - Landlord As Additional Insured (Rental Value) (CP 15 03)**

Endorsement **CP 15 03**, Business Income - Landlord As Additional Insured (Rental Value), provides coverage for loss of rental income for a landlord (the Additional Insured) under a tenant's policy. The amount of any payment made to the Additional Insured under this endorsement will be deducted from the Named Insured's business income loss.

- **Business Income Report/Worksheet (CP 15 15)**

This endorsement is revised to recognize that the revised policy now provides 60 days of Extended Business Income Coverage.

- **Causes Of Loss Exclusion Endorsements (CP 10 54 and CP 10 56)**

Under endorsement **CP 10 54**, a statement is added to reinforce the applicability of underlying policy exclusions.

Under endorsement **CP 10 56**, exclusionary language concerning seepage or leakage is added to conform to the provision in the underlying policy, with no change in coverage.

- **Dependent Properties - Business Interruption (CP 15 01, CP 15 02, CP 15 08, CP 15 09, CP 15 34)**

The definition of dependent property excludes various utility providers; the list of utilities is updated to make reference to wastewater removal services. With respect to business interruption coverage, loss caused by interruption in utility service is addressed in endorsement **CP 15 45**. Refer to the item titled Utility Services - Time Element Endorsement **CP 15 45**.

- **Dependent Properties - Time Element (CP 15 08, CP 15 09, CP 15 34)**

The revised description of Miscellaneous Locations makes it explicit that highways and other transportation conduits are not considered to be Miscellaneous Locations.

- **Earthquake Sprinkler Leakage Deductible (CP 10 40, CP 10 45)**

CP 10 40 Earthquake And Volcanic Eruption Endorsement and **CP 10 45** Earthquake And Volcanic Eruption Endorsement (Sub-limit Form) are revised to specify that the Earthquake percentage deductible does not apply when Earthquake Coverage is limited only to Earthquake Sprinkler Leakage (EQSL) Coverage. Instead, the deductible for Fire Coverage applies to EQSL Coverage.

- **Electrical Apparatus and Electronic Commerce Endorsements (CP 04 10, CP 04 30)**

Endorsements **CP 04 10** and **CP 04 30** are revised to reflect the changes to the Artificially Generated Electrical Current exclusion in the Causes of Loss forms.

- **Exclusion of Loss Due To By-products of Production or Processing Operations (Rental Properties) Endorsement (CP 10 34)**

This new endorsement, which applies to policies issued to owners and tenants of rental premises, reinforces that property damage and business interruption coverages do not apply to loss or damage to the described premises caused by or resulting from smoke, vapor, gas or any substance released in the course of production operations or processing operations performed at the rental units identified in the Schedule of the endorsement. But loss or damage by fire or explosion that results from the release of a by-product of the production or processing operation is not excluded.

- **Flood Coverage Schedule (CP DS 65)**

The Flood Coverage Schedule is revised so that the Underlying Insurance Waiver can be made applicable by location. The Underlying Insurance Waiver is a provision in Flood Coverage Endorsement **CP 10 65**; the waiver applies to a location only if so indicated in the Flood Coverage Schedule.

- **Functional Building Valuation Endorsement (CP 04 38, CP 04 47)**

The section of the endorsement that addresses exclusion of pollution under Ordinance or Law Coverage is revised to include reference to fungus and other contaminants and to follow similar provisions of the Increased Cost of Construction Additional Coverage in the underlying policy.

- **Higher Limits Endorsement (CP 04 08)**

This new endorsement increases certain specified dollar limitations.

- **Increased Cost of Loss and Related Expenses for Green Upgrades Endorsement (CP 04 02)**

The Schedule of this endorsement is revised to facilitate identification of personal property (when not all personal property is to be covered for Green Upgrades) and to facilitate the entry of different percentage selections for the building and personal property.

Subparagraphs **A.1.a.** and **A.1.b.** are revised to simplify the calculation described therein, with no change in the outcome. Subparagraph **A.1.d.** is added to explicitly address the situation in which the property loss is less than the deductible.

The provisions of former Paragraph **A.9.**, concerning vegetated roofs, are incorporated into the underlying policy forms, as discussed in the item titled Vegetated Roofs.

- **Ordinance or Law Coverage (CP 04 05, CP 04 46, CP 04 38, CP 04 47, CP 15 25, CP 15 31)**

The coverage grant of endorsements **CP 04 05** (Ordinance Or Law Coverage) and **CP 04 46** (California - Ordinance Or Law Coverage) is revised to remove reference to enforcement of an ordinance or law, in favor of referring to a requirement to comply with an ordinance or law. The same revision is made to endorsements **CP 04 38** (Functional Building Valuation) and **CP 04 47** (California - Functional Building Valuation) which incorporates ordinance or law coverage.

In addition, references are added to compliance with an ordinance or law in endorsements **CP 15 25** Business Income Changes - Educational Institutions (in the Period of Restoration definition) and **CP 15 31** Ordinance Or Law - Increased Period of Restoration.

- **Outdoor Trees, Shrubs and Plants Endorsement (CP 14 30)**

This endorsement is revised to specify that the applicable Limit of Insurance for loss or damage to outdoor trees, shrubs and plants includes debris removal expense. Accordingly, the endorsement states that the Outdoor Property Coverage Extension and Debris Removal Additional Coverage do not apply to property covered under **CP 14 30**; such provision avoids duplication of coverage.

- **Payroll Limitation or Exclusion Endorsement (CP 15 10)**

This endorsement is revised to provide the means to limit or exclude coverage for the payroll expense of any category of employee or individual employee. Since applicability of the endorsement will no longer be restricted to non-managerial employees, the term "ordinary payroll expense" and its definition are removed from the endorsement. In addition, the title of the endorsement is revised to remove the word "Ordinary".

- **Protective Safeguards (CP 04 11)**

Endorsement **CP 04 11** Protective Safeguards replaces **IL 04 15** Protective Safeguards. The new endorsement contains the same provisions as **IL 04 15** and adds a symbol and description to recognize hood-and-duct fire extinguishing systems.

- **Radio or Television Antennas - Business Income or Extra Expense Endorsement (CP 15 50)**

In the list of forms to which **CP 15 50** applies, reference to the Earthquake Form is removed. Since earthquake coverage is now provided by endorsing the Causes of Loss Form (Basic, Broad or Special), it is no longer necessary for **CP 15 50** to include reference to the Earthquake Form.

- **Theft Exclusion Endorsement (CP 10 33)**

This endorsement is revised to include a Schedule to facilitate display of the location(s) to which the exclusion applies.

- **Utility Services Coverage Endorsements (CP 04 17, CP 15 45)**

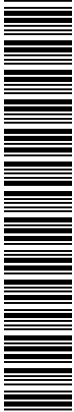
Endorsements **CP 04 17** Utility Services - Direct Damage and **CP 15 45** Utility Services - Time Element are revised to make it explicit that transmission lines include all lines which serve in the transmission of power or communication service, including lines which may be identified as distribution lines.

These endorsements are revised to remove the qualification that the utility service property be located off the described premises (or outside a covered building, in the case of time element). With respect to a policy that was and is endorsed to cover utility services, there is no change in coverage. The revision to the coverage endorsements simply recognizes the revision to the underlying exclusion.

- **Windstorm or Hail Percentage Deductible Endorsement (CP 03 21)**

Paragraph **D.1.** of this endorsement is editorially revised to be consistent with the other sections of Paragraphs **B.**, **C.** and **D.** of this endorsement. The previous wording of paragraph **D.1.** referred to "that property" without specifying that it is the property which has sustained loss or damage.

The following editorial changes have been made: The text of the endorsement no longer includes language pertaining to other causes or events that contribute concurrently or in any sequence to the loss, because the underlying policy addresses that concept. Language is added to make it more explicit that this endorsement does not affect the impact of the policy's Water Exclusion or any other exclusion in the policy, and does not affect the application of a Flood Deductible if the policy (or another policy) provides coverage for Flood.



GENERAL LIABILITY MULTISTATE FORMS REVISION ADVISORY NOTICE TO POLICYHOLDERS

Dear Valued Policyholder,

Thank you for selecting us as your carrier for your commercial insurance. We are in the process of implementing policy administration system improvements. In conjunction with these system improvements, we are also enhancing, clarifying and revising many of our coverage forms and endorsements. As a result, we are replacing coverage forms and endorsements with other forms, which result in some changes to your coverage.

This notice contains a summary of the changes made to your policy. The changes outlined below are organized by individual forms. Please note that not all of the forms or changes noted may apply to your specific policy. Any of the forms described in this notice may have comparable state specific forms in lieu of the forms mentioned below. In those situations, the title of the state forms on your policy will generally be very similar to one or more titles mentioned in this notice. The changes described below would also apply to those state specific forms, unless noted otherwise. In addition, this notice does not reference every change made to the endorsements or coverage forms, only material (or significant) changes.

Please read your policy and review your declarations page for complete coverage information. No coverage is provided by this notice, nor can it be construed to replace any provisions of your policy. If there are discrepancies between your policy and this notice, the provisions of the policy shall prevail.

These changes become effective as of the effective date of your replacement policy. Please note that this notice does not apply to you or your policy in the event you have received, or do receive, a notice of cancellation or nonrenewal of your replacement policy.

Should you have questions after reviewing the changes outlined below, please contact your independent agent. Thank you for your business.

BROADENINGSN COVERAGE

CG 88 10 04 13 COMMERCIAL GENERAL LIABILITY EXTENSION

If your expiring policy had the CG 76 35 Liability Plus Endorsement or the CG 86 74 Contractors Liability Plus Endorsement on it, your policy is being issued with the CG 88 10 04 13 Commercial General Liability Extension. This results in the following broadenings in coverage:

- CG 88 10 provides property damage liability coverage that results from the use of elevators. This results in a broadening of coverage.
- Medical Payments Coverage is enhanced so that expenses can be reported within three years of the date of the accident. Your expiring policy required that expenses be reported within one year.
- If your expiring policy had the CG 86 74, the Supplementary Payments limit for loss of earnings because of time off from work has been increased from \$250 to \$500 a day.
- If your expiring policy had the CG 86 74, your policy provided a Damage To Premises Rented To You Limit of \$200,000 or the limit on the declarations, whichever was greater. As respects CG 88 10, in some states, the limit has been revised so that it is equal to the Occurrence Limit, but no more than \$1,000,000. This may result in a broadening as respects the limit provided. However, this change does not apply in every state. You should refer to your declarations page to determine the applicable limit of insurance for this coverage.
- The liability extension endorsement on your expiring policy indicated that the Medical Expense Limit was amended to \$10,000. Your CG 88 10 endorsement does not contain a similar provision. However, your policy does provide an amended limit. The automatic default Medical Expense Limit is \$15,000, unless medical payments coverage is excluded. That limit of insurance is displayed on the declarations.

- If your expiring policy had the CG 86 74, the Transfer of Rights of Recovery Against Others To Us provision is amended to say we will waive any right of recovery we have because of payments we make for injury or damage arising out of your operations or work done under a contract and included in the "products-completed operations hazard". This broadens the condition.
- If your expiring policy had the CG 86 74, it excluded coverage under Personal and Advertising Injury for wrongful eviction. Your policy's CG 88 10 does not contain a similar exclusion. Therefore coverage has been broadened.
- If your expiring policy had the CG 86 74, coverage is broadened because CG 88 10 revises the definition of bodily injury so that it includes mental anguish, mental injury, shock or fright.

FUNERAL HOME AND CEMETERY LIABILITY

CG 88 69 12 08 FUNERAL DIRECTORS PROFESSIONAL LIABILITY

CG 83 01 12 01 CEMETERY PROFESSIONAL LIABILITY ENDORSEMENT

If your expiring policy included CG 76 02 Funeral Homes or Chapels or Cemeteries, you were provided with liability coverages for injury or damage arising from professional services as a funeral director, embalmer, intern or cemetarian. Your policy may have been issued with one or two endorsements, depending on the needs of your operation. The CG 88 69 12 08 Funeral Directors Professional Liability endorsement may have been issued on your policy to provide comparable coverage for liability arising from professional services as a funeral director. The CG 83 01 12 01 Cemetery Professional Liability Endorsement may have been issued on your policy to provide comparable coverage for cemetery liability. The following describes some of the important changes that may result:

- CG 88 69 provides coverage for injury or damage arising out of any error or omission committed by the insured while performing duties as a director, officer or member of any non-profit professional association, board council or committee. This broadens coverage.
- CG 88 69 and CG 83 01 broaden coverage because they each provide limited coverage for damages the insured becomes legally liable to pay because of damage to or destruction of a deceased human body, clothing, personal effects, tombstones, caskets or urns.
- CG 88 69 provides coverage for damages arising out of an act, error or omission of an insured while performing duties of a life insurance agent or duties in the process of selling pre-need funeral contracts. This broadens coverage.
- CG 88 69 provides coverage for injury or damage arising out of acts or omissions within the scope of the insured's professional license by bereavement counselors. This broadens coverage.

If your expiring policy included CG 76 69 Cemetery Professional Liability, your policy may have been issued with the CG 83 01 12 01 Cemetery Professional Liability Endorsement. The following describes broadenings as a result:

- CG 83 01 broadens coverage because it provides limited coverage for damages the insured becomes legally liable to pay because of damage to or destruction of a deceased human body, clothing, personal effects, tombstones, caskets or urns.

MISCELLANEOUS CHANGES

The Miscellaneous Changes Section contains a combination of editorial revisions, clarifications and miscellaneous provision changes.

CG 88 10 04 13 COMMERCIAL GENERAL LIABILITY EXTENSION

If your expiring policy had the CG 76 35 Liability Plus Endorsement or the CG 86 74 Contractors Liability Plus Endorsement on it, your policy is being issued with the CG 88 10 04 13 Commercial General Liability Extension. The following describes some of the important changes that may result:

- The CG8810 provides property damage liability coverage for:
 1. Contents that you rent or lease as part of a premises rental or lease agreement for a period of more than 7 days, for other than damage by fire, lightning, explosion, smoke or leakage from an automatic fire protection system; and

2. Contents of a premises rented to you for a period of 7 or fewer days, even if the damage is caused by fire, lightning, explosion, smoke, or leakage from an automatic fire protection system.

Your expiring policy provided all-risks coverage for premises and contents (except for fire) of rented premises.

- If your expiring policy had the CG 76 35, your policy provided a Damage To Premises Rented To You Limit that was the higher of the Each Occurrence Limit shown in the Declarations or the amount shown in the Declarations as Damage To Premises Rented To You Limit. As respects CG 88 10, in some states, the limit has been revised so that it is equal the Occurrence Limit, but no more than a \$1,000,000. This may result in a reduction as respects the limit provided. However, this change does not apply in every state. You should refer to your declarations page to determine the applicable limit of insurance for this coverage.
- CG 88 10 contains a Primary and Non-Contributory Additional Insured Extension that will apply to any person or organization that qualifies as an additional insured under the policy. If an additional insured's policy has an Other Insurance provision making its policy excess and a named insured has agreed in writing to provide the additional insured coverage on a primary and non-contributory basis, our policy will respond on a primary basis and we will not seek contribution from the additional insured's policy for the damages that we cover.
- Your CG 88 10 contains a provision that indicates the limits of insurance applicable to an additional insured are those specified in a written contract or written agreement or the limits of insurance as stated in the declarations of this policy and defined in the policy's limit section, whichever is less. These limits are inclusive of and not in addition to the limits of insurance available under this policy. The provision also describes several duties that an additional insured will be responsible for in the event of an occurrence, offense, claim or suit.
- Your expiring policy's endorsement contained a provision that indicated if you unintentionally fail to disclose any hazards existing at the inception of your policy, we would not deny coverage because of such failure. The CG 88 10 contains a similar condition amendment. However, it also includes failure to disclose prior occurrences. This enhances the condition.

REDUCTIONS IN COVERAGE

CG 88 10 04 13 COMMERCIAL GENERAL LIABILITY EXTENSION

If your expiring policy had the CG 76 35 Liability Plus Endorsement or the CG 86 74 Contractors Liability Plus Endorsement on it, your policy is being issued with the CG 88 10 04 13 Commercial General Liability Extension. This results in the following reductions in coverage:

- If your expiring policy had the CG 76 35, it provided Aggregate Limits of Insurance Per Location. Your policy no longer includes this coverage automatically. The CG 88 60 12 08 Each Location General Aggregate Limit is a new, optional endorsement that provides similar coverage. If CG 88 60 12 08 is attached to your policy, your policy provides similar coverage to your expiring policy. If CG 88 60 12 08 is not attached to your policy, your coverage has been reduced.

CG 88 68 12 08 BARBERS AND BEAUTICIANS PROFESSIONAL LIABILITY

If your expiring policy contained CG 76 00 Beauty Parlors, Hair Styling Salons or Barber Shops, your policy may have been issued with CG 88 68 Barbers and Beauticians Professional Liability. The following changes would then apply:

- CG 88 68 excludes coverage when injury or damage arises from any equipment or process used to tan. This results in a reduction in coverage because your expiring policy's exclusion only applied to the use of radiation to tan the skin.
- Your expiring policy excluded coverage when injury or damage arose from body massage other than massaging of the face, scalp, hands or feet. CG 88 68 does not provide the same exception to the exclusion. Body massage other than facial massage is excluded. This represents a reduction in coverage.
- CG 88 68 excludes coverage when injury or damage arises out of:
 1. Hair implanting or hair transplanting or any attempt at these;

2. The use of any dye or coloring to eyelashes or eyebrows except mascara or eyebrow pencils;
3. Body piercing;
4. Face lifting, the removal of warts, moles or growths or any attempt at these;
5. Chiropody, podiatry or BOTOX® cosmetic treatments; or
6. The operation of a training school or course of instruction in beauty culture or barbering.

Your expiring policy did not contain similar exclusions to those mentioned above. As a result, coverage has been reduced.

- Your expiring policy expressed that your students were included as insureds, but only for acts within the scope of his or her instruction by you. CG 88 68 does not include a similar provision. As a result, coverage has been reduced as respects student insureds.
- CG 88 68 expresses that there is no coverage for injury or damages arising out of a barber or beauticians providing or failing to provide professional services, except for the professional services as a barber or beautician in connection with your business. Your expiring policy's CG 76 00 did not contain a similar provision. This may result in a reduction in coverage.

If your expiring policy contained CG 76 00 Beauty Parlors, Hair Styling Salons or Barber Shops and your policy was issued without CG 88 68 Barbers and Beauticians Professional Liability, coverage has been reduced.

FUNERAL HOME AND CEMETERY LIABILITY

CG 88 69 12 08 FUNERAL DIRECTORS PROFESSIONAL LIABILITY

CG 83 01 12 01 CEMETERY PROFESSIONAL LIABILITY ENDORSEMENT

If your expiring policy included CG 76 02 Funeral Homes or Chapels or Cemeteries, you were provided with liability coverages for injury or damage arising from professional services as a funeral director, embalmer, intern or cemeterian. Your policy may have been issued with one or two endorsements, depending on the needs of your operation. The CG 88 69 12 08 Funeral Directors Professional Liability endorsement may have been issued on your policy to provide comparable coverage for liability arising from professional services as a funeral director. The CG 83 01 12 01 Cemetery Professional Liability Endorsement may have been issued on your policy to provide comparable coverage for cemetery liability. The following describes some of the important changes that may result:

- CG 83 01 requires a cemetery location be listed in the schedule of operations for coverage to be provided. This may result in a coverage reduction, unless the schedule is complete and accurate.
- Your expiring policy's CG 76 02 provided you with certain liability coverages for injury or damage arising from professional services as a funeral director, embalmer, intern or cemeterian. If your policy was issued with both the CG 88 69 and CG 83 01 endorsements mentioned above, your policy provides similar coverage. However, if your policy was issued without one or both endorsements, this represents a reduction in coverage.
- CG 83 01 excludes coverage for the rendering or failure to render certain medical services, unless done by an insured in good faith at the request of a public official having authority to permit such medical services. This results in a reduction in coverage.
- Your expiring policy's CG 76 02 provided coverage for injury or damage arising out of the rendering or failure to render professional services as an intern. Your policy no longer provides this coverage. This results in a reduction in coverage.

If your expiring policy included CG 76 69 Cemetery Professional Liability, your policy may have been issued with the CG 83 01 12 01 Cemetery Professional Liability Endorsement. The following describes reductions as a result:

- CG 83 01 excludes coverage for the rendering or failure to render certain medical services, unless done by an insured in good faith at the request of a public official having authority to permit such medical services. This results in a reduction in coverage.

- CG 83 01 requires a cemetery location be listed in the schedule of operations for coverage to be provided. This may result in a coverage reduction, unless the schedule is complete and accurate.
- Your expiring policy's CG 76 69 included coverage for interference with the right of burial of human remains or cremains via an amendment to the definition of personal and advertising injury. Your policy's CG 83 01 does not contain a similar amendment of the definition of personal and advertising injury. This represents a reduction in coverage.

CG 88 88 12 08 PROFESSIONAL EXCLUSION - PASTORAL

If your expiring policy contained the CG 21 16 Exclusion - Designated Professional Services endorsement and its schedule was completed so that the exclusion applied to pastoral professional services, your policy may have been issued with the CG 88 88. These exclusions are comparable, and as a result there would be no additional reduction in coverage. However, if the CG 88 88 is attached to your policy and your expiring policy didn't include the CG 21 16 as described above, your policy's coverage has been reduced because an exclusion has been added to apply to bodily injury, property damage, or personal and advertising injury arising out of the performance of professional services for others by the insured in the capacity of a pastoral counselor.

CG 85 15 09 03 EXCLUSION - PROFESSIONAL SERVICES

If your policy was issued with the CG 85 15, coverage is excluded for injury or damage resulting from the rendering of or the failure to render any professional services by any insured to others. Your expiring policy may have excluded professional services via CG 21 16 Exclusion - Designated Professional Services. If that is the case, the inclusion of CG 85 15 on your policy may result in a comparable exclusion or reduced coverage, depending on how the schedule of the CG 21 16 was completed. If your expiring policy did not contain a professional services exclusion at all, coverage is reduced if CG 85 15 is present on your policy.

LC 87 13 03 03 EXCLUSION - WOOD PRESERVATIVE CHEMICALS

If the LC 87 13 is attached to your policy, coverage is excluded for loss arising out of chemicals or wood preservatives in wood or wood by-products manufactured, processed, sold or distributed by you or supplied, installed or used by you or your subcontractors in connection with your work or product. Unless your expiring policy was amended to contain a total pollution exclusion, if LC 87 13 applies to your policy, coverage is reduced.

CG 88 86 12 08 EXCLUSION - ASBESTOS LIABILITY

If your expiring policy had the CG 86 13 Exclusion Asbestos attached to it, your policy may have been issued with a similar exclusion, the CG 88 86 12 08 Exclusion - Asbestos Liability. The CG 88 86 exclusion includes any loss, cost or expense arising out of any request or requirement that any insured or others in any way respond to or assess the effects of asbestos. Claims or suits by or on behalf of a governmental authority for damages because of any response to or assessment of the effects of asbestos are also excluded. If your expiring policy did not contain the CG 86 13 exclusion, the presence of the CG 88 86 on your policy represents a reduction in coverage.

CG 84 99 NON-CUMULATION OF LIABILITY LIMITS (SAME OCCURRENCE)

Your policy has been issued with CG 84 99 Non-Cumulation of Liability Limits (Same Occurrence), which restricts coverage. This endorsement amends the Each Occurrence Limit of the Commercial General Liability Coverage Part to expressly state that we will reduce the limit by amounts paid under other policies, issued by us, for the same occurrence. Your expiring policy may have contained the CG 86 14 Continuous and Progressive Losses, which if present, restricted coverage in a substantially similar manner to the CG 84 99.

CG 84 94 EXCLUSION - CONSOLIDATED INSURANCE PROGRAMS (WRAP-UP)

If your expiring policy included the CG 21 54 Exclusion Designated Operations Covered By A Consolidated (Wrap-Up) Insurance Program endorsement, your policy may have been issued with a different endorsement, the CG 84 94. The following coverage impacts would result:

- Your CG 21 54 applied only to locations described in the schedule of the endorsement. The CG 84 94 applies to all sites or locations that are part of a consolidated insurance program. This may result in a coverage reduction.

- CG 84 94 precludes coverage for personal and advertising injury as well as medical expenses.
- If your expiring policy did not include CG 21 54, and CG 84 94 is newly attached to your policy, coverage is reduced.

CG 85 83 BLANKET ADDITIONAL INSURED CONTRACTORS - PRODUCTS/COMPLETED OPERATIONS

If your expiring policy was issued with the CG 86 72 Additional Insured - Owners, Lessees or Contractors - Completed Operations or the CG 20 37 Additional Insured - Owners, Lessees or Contractors - Completed Operations so that is applied on a blanket basis, your policy may have been issued with the CG 85 83. If CG 85 83 is on your policy, the following changes may result in a reduction in coverage:

- Additional insured coverage is provided only if required in a written contract or agreement, and prior to injury or damage.
- Coverage is provided only as a result of the Named Insureds negligence and does not provide coverage for the liability attributable to the negligence of any other person or entity.
- Coverage is limited to the lesser of what's required by contract or the limits listed on the declarations page.
- Coverage does not extend beyond what is required by contract or the expiration or termination of the policy.
- Professional exposures are excluded.
- Coverage is excess over any other insurance naming the Additional Insured as an insured unless written contract requires coverage be provided on a primary and non-contributory basis.
- Coverage is excluded for property damage to the named insureds work when the damage was caused by work performed by a subcontractor or if the subcontractor's work causes damage to other elements of the work.

CG 85 84 ADDITIONAL INSURED - DESIGNATED OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS

If your expiring policy was issued with the CG 86 72 Additional Insured - Owners, Lessees or Contractors - Completed Operations or the CG 20 37 Additional Insured - Owners, Lessees or Contractors - Completed Operations so that is applied on a scheduled basis, your policy may have been issued with the CG 85 84. If CG 85 84 is on your policy, the following changes may result in a reduction in coverage:

- Additional insured coverage is provided only if required in a written contract or agreement, and prior to injury or damage.
- Coverage is provided only as a result of the Named Insureds negligence and does not provide coverage for the liability attributable to the negligence of any other person or entity.
- Coverage is limited to the lesser of what's required by contract or the limits listed on the declarations page.
- Coverage does not extend beyond what is required by contract or the expiration or termination of the policy.
- Professional exposures are excluded.
- Coverage is excess over any other insurance naming the Additional Insured as an insured unless written contract requires coverage be provided on a primary and non-contributory basis.

IMPORTANT NOTICE TO POLICYHOLDERS

ISO 04-13 GENERAL LIABILITY MULTISTATE FORMS REVISION

Dear Valued Policyholder,

Thank you for selecting us as your carrier for your commercial insurance. This notice contains a brief summary of the coverage changes made to your policy. The changes outlined below are organized by individual endorsements.

Please note that not all of the endorsements noted may apply to your specific policy. Any of the forms described in this notice may have comparable state form numbers in lieu of the form numbers mentioned below. In those situations, the title of the state forms on your policy will generally be very similar to one or more titles mentioned in this notice. In addition, this notice does not reference every editorial change made to the endorsement or coverage form, only material (or significant) coverage changes.

Please read your policy and review your declarations page for complete coverage information. No coverage is provided by this notice, nor can it be construed to replace any provisions of your policy. If there are discrepancies between your policy and this notice, the provisions of the policy shall prevail.

These changes become effective as of the effective date of your replacement policy. Please note that this notice does not apply to you or your policy in the event you have received, or do receive, a notice of cancellation or nonrenewal of your replacement policy.

Should you have questions after reviewing the changes outlined below, please contact your independent agent. Thank you for your business.

Below is a list of the coverage forms affected by the 04 13 ISO changes. Note that not all changes apply to all forms:

- CG 00 01 04 13 - Commercial General Liability Coverage Form (Occurrence)
- CG 00 02 04 13 - Commercial General Liability Coverage Form (Claims Made)
- CG 00 09 04 13 - Owners and Contractors Protective Liability Coverage Form
- CG 00 33 04 13 - Liquor Liability Coverage Form (Occurrence)
- CG 00 34 04 13 - Liquor Liability Coverage Form (Claims Made)
- CG 00 35 04 13 - Railroad Protective Liability Coverage Form
- CG 00 37 04 13 - Products/Completed Operations Liability Coverage Form (Occurrence)
- CG 00 38 04 13 - Products/Completed Operations Liability Coverage Form (Claims Made)
- CG 00 39 04 13 - Pollution Liability Coverage Form Designated Sites
- CG 00 40 04 13 - Pollution Liability Limited Coverage Form Designated Sites
- CG 00 42 04 13 - Underground Storage Tank Policy Designated Tanks
- CG 00 65 04 13 - Electronic Data Liability Coverage Form

BROADENING OF COVERAGE

Exclusion - Liquor Liability

CG 00 01 and CG 00 02 - Commercial General Liability Coverage Form (Occurrence and Claims Made)

CG 00 37 and CG 00 38 - Products/Completed Operations Liability Coverage Form (Occurrence and Claims Made)

The Liquor Liability Exclusion is revised to provide an exception with respect to allowing a person to bring alcoholic beverages onto the named insured's premises for consumption on the named insured's premises.

Exclusion - Electronic Data

- CG 00 01 and CG 00 02 - Commercial General Liability Coverage Form (Occurrence and Claims Made)
- CG 00 37 and CG 00 38 - Products/Completed Operations Liability Coverage Form (Occurrence and Claims Made)

- CG 00 09 - Owners and Contractors Protective Liability Coverage Form
- CG 00 39 - Pollution Liability Coverage Form Designated Sites
- CG 00 40 - Pollution Liability Limited Coverage Form Designated Sites
- CG 00 42 - Underground Storage Tank Policy Designated Tanks

The Electronic Data liability Exclusion is revised to introduce an exception for liability for damages because of bodily injury.

Exclusion - Pollution

- CG 00 35 04 13 - Railroad Protective Liability Coverage Form

The Pollution Exclusion is amended to expand the exception to the exclusion with respect to bodily injury or property damage arising out of fuel or lubricants for equipment used at the job location not just when they escape from such equipment.

Who Is An Insured

- CG 00 33 and CG 00 34 - Liquor Liability Coverage Form (Occurrence and Claims Made)

Trusts have been included as Named Insureds. In addition, trustees have been included as insureds but only with respect to their duties as trustees.

OTHER CHANGES

Exclusion - Liquor Liability

- CG 00 01 and CG 00 02 - Commercial General Liability Coverage Form (Occurrence and Claims Made)
- CG 00 37 and CG 00 38 - Products/Completed Operations Liability Coverage Form (Occurrence and Claims Made)

The Liquor Liability Exclusion is revised to reinforce that the exclusion applies even if claims against an insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others, or providing or failing to provide transportation with respect to any person that may be under the influence of alcohol.

Exclusion - Aircraft, Auto, Rolling Stock or Watercraft

- CG 00 39 - Pollution Liability Coverage Form Designated Sites
- CG 00 40 - Pollution Liability Limited Coverage Form Designated Sites

The Aircraft, Auto, Rolling Stock or Watercraft Exclusion is revised to reinforce that the exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured. This change may result in a reduction in coverage in states where courts have ruled the Aircraft, Auto or Watercraft exclusion to be inapplicable to negligent supervision claims and other similar types of claims.

The exclusion is also revised to express that a land motor vehicle subject to compulsory or financial responsibility laws or other vehicle insurance laws will not be covered with respect to its over-the-road exposures.

The Aircraft, Auto, Rolling Stock or Watercraft exclusion is revised to delete reference to "in the state" (CG 00 40 only).

Exclusion - Aircraft, Auto or Watercraft

- CG 00 01 and CG 00 02 - Commercial General Liability Coverage Form (Occurrence and Claims Made)

The Auto, Aircraft or Watercraft Exclusion is revised to delete reference to "in the state".

Exclusion - Recording and Distribution Of Material or Information in Violation Of Law

- CG 00 01 and CG 00 02 - Commercial General Liability Coverage Form (Occurrence and Claims Made)

The Recording and Distribution of Material or Information in Violation of Law Exclusion was previously added to your policy via mandatory endorsement. The endorsement contained an exclusion addressing injury or damage arising out of any action or omission that violates or is alleged to violate certain statutes, ordinances and regulations. This exclusion has been incorporated directly into your policy.

Exclusion - Material Published With Knowledge Of Falsity

Exclusion - Material Published Prior To Policy Period

- CG 00 01 and CG 00 02 - Commercial General Liability Coverage Form (Occurrence and Claims Made)

The Material Published with Knowledge of Falsity and Material Published Prior to Policy Period exclusions are revised to reference "in any manner", with respect to oral or written publication, for consistency with the definition of personal and advertising injury.

Exclusion - Infringement of Intellectual Property Rights

- CG 00 65 - Electronic Data Liability Coverage Form

The Infringement of Intellectual Property Rights Exclusion is revised to delete the exception pertaining to the use of another's advertising idea.

Condition - Other Insurance

- CG 00 01 and CG 00 02 - Commercial General Liability Coverage Form (Occurrence and Claims Made)

The Other Insurance condition is generally revised so that the insurance provided is excess over any for which the named insured has been added as an additional insured, whether by endorsement or any other means.

Definition - Auto

Definition - Mobile Equipment

- CG 00 01 and CG 00 02 - Commercial General Liability Coverage Form (Occurrence and Claims Made)
- CG 00 09 - Owners and Contractors Protective Liability Coverage Form
- CG 00 37 and CG 00 38 - Products/Completed Operations Liability Coverage Form (Occurrence and Claims Made)
- CG 00 39 - Pollution Liability Coverage Form Designated Sites
- CG 00 40 - Pollution Liability Limited Coverage Form Designated Sites

The Auto and Mobile Equipment definitions are revised to delete reference to "in the state" with respect to where a vehicle is licensed or principally garaged.

MULTISTATE ENDORSEMENTS AFFECTED BY 04 13 REVISION

BROADENING OF COVERAGE

CG 04 37 - Electronic Data Liability Endorsement - Revised to introduce an exception to the electronic data exclusion in order to provide that the exclusion does not apply to liability for damages because of bodily injury. **(For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02)**

CG 20 38 - Additional Insured - Owners, Lessees or Contractors - Automatic Status for Other Parties When Required In Written Construction Agreement Endorsement - Introduced to provide additional insured status to those parties whom the named insured is obligated in writing in a contract or agreement to name as an additional insured. **(For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02)**

CG 22 69 - Druggists Endorsement - Revised to introduce an exception for the administering of vaccinations. **(For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02)**

CG 24 06 - Liquor Liability - Bring Your Own Alcohol Establishments Endorsement - Introduced to provide coverage to insureds who permit any person to bring any alcoholic beverage on an insured's premises, for consumption on the insured's premises. (For use with Liquor Liability Coverage Form - CG 00 33 and CG 00 34)

REDUCTIONS OF COVERAGE

CG 20 08 - Additional Insured - Users of Golfmobiles Endorsement - Revised to include a definition of the term golfmobile. (For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02)

Liquor Liability Endorsements - The following endorsements are revised to indicate that the liquor liability exclusion will apply if a named insured permits any person to bring any alcoholic beverages on the named insured's premises, for consumption on the named insured's premises:

- **CG 21 50 - Amendment of Liquor Liability Exclusion (For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02)**
- **CG 21 51 - Amendment of Liquor Liability Exclusion - Exception for Scheduled Premises or Activities (For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02)**
- **CG 29 52 - Amendment of Liquor Liability Exclusion (For use with Products Completed Operations Coverage Form - CG 00 37 and CG 00 38)**
- **CG 29 53 - Amendment of Liquor Liability Exclusion - Exception for Scheduled Premises or Activities (For use with Products Completed Operations Coverage Form - CG 00 37 and CG 00 38)**

CG 21 99 - Total Pollution Exclusion for Designated Products or Work Endorsement - Introduced to exclude coverage with respect to bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants which arises out of the product or work scheduled in the endorsements. (For use with Products Completed Operations Coverage Form - CG 00 37 and CG 00 38)

CG 22 50 - Exclusion - Failure to Supply Endorsement - Revised to expressly state that the exclusion also applies to the failure of any insured to adequately supply biofuel. (For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02)

CG 24 13 - Amendment of Personal and Advertising Injury Definition Endorsement - Introduced to remove from the definition of personal and advertising injury the offense of oral and written publication, in any manner, of material that violates a person's right of privacy. (For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02)

CG 04 36 - Limited Product Withdrawal Expense Endorsement - If your expiring coverage was provided by the CG 00 66 Product Withdrawal Coverage Form, your Commercial General Liability Coverage Form has been issued with the CG 04 36. This results in coverage reductions because the CG 04 36 does not:

- Provide any product withdrawal liability coverage for damages of "product withdrawal expenses" or coverage for the cost or expense of defending any claim or suit incurred by a third party.
- Include as "product withdrawal expenses", costs of replacing "your product", repairing the defect in "your product" or repurchasing "your product" for your initial purchase price, whichever is less.

OTHER CHANGES

CG 04 36 - Limited Product Withdrawal Expense Endorsement - Revised to reinforce that the Participation Percentage is indicated in the Schedule and to reflect that the cost of the insured's participation in each product withdrawal will be borne by the named insured when due, and the named insured will not obtain insurance to cover its Participation Percentage. (For use with Commercial General Liability Coverage Form CG 00 01 and CG 00 02 and Products Completed Operations Coverage Form - CG 00 37 and CG 00 38)

CG 20 01 - Primary and Noncontributory - Other Insurance Condition Endorsement - Introduced to revise the Other Insurance Condition to indicate that coverage is provided to an additional insured on a primary and noncontributory basis, provided that certain requirements are met. **(For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02 and Products Completed Operations Coverage Form - CG 00 37 and CG 00 38)**

Additional Insured Endorsements

The following additional insured endorsements indicate that when these endorsements are attached to a policy, if coverage provided to the additional insured is required by contract or agreement, coverage to the additional insured will be afforded to the extent permissible by law and to the extent the named insured is required by the contract or agreement to provide insurance for the additional insured.

Additionally, if coverage provided to the additional insured is required by contract or agreement, the limits of insurance of the named insured's policy that are available to an additional insured will be limited to the extent required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less:

CG 20 03 04 13	CG 20 18 04 13	CG 20 31 04 13
CG 20 05 04 13	CG 20 23 04 13	CG 20 32 04 13
CG 20 07 04 13	CG 20 24 04 13	CG 20 33 04 13
CG 20 10 04 13	CG 20 26 04 13	CG 20 34 04 13
CG 20 11 04 13	CG 20 27 04 13	CG 20 35 04 13
CG 20 12 04 13	CG 20 28 04 13	CG 20 36 04 13
CG 20 13 04 13	CG 20 29 04 13	CG 20 37 04 13
CG 20 15 04 13	CG 20 30 04 13	CG 29 35 04 13

Professional Services Endorsements

This change to the following endorsements is a reinforcement of coverage intent. However, this change may result in a reduction in coverage in states where courts have ruled professional services exclusions to be inapplicable to negligent supervision of claims and other similar types of claims. The following endorsements are revised to expressly address, in part, claims alleging negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of others by any insured:

CG 21 16 04 13	CG 22 34 04 13	CG 22 71 04 13	CG 22 90 04 13
CG 21 52 04 13	CG 22 36 04 13	CG 22 72 04 13	CG 22 91 04 13
CG 21 56 04 13	CG 22 37 04 13	CG 22 75 04 13	CG 22 96 04 13
CG 21 57 04 13	CG 22 39 04 13	CG 22 76 04 13	CG 22 98 04 13
CG 21 58 04 13	CG 22 43 04 13	CG 22 77 04 13	CG 22 99 04 13
CG 21 59 04 13	CG 22 44 04 13	CG 22 79 04 13	CG 23 01 04 13
CG 22 24 04 13	CG 22 45 04 13	CG 22 80 04 13	CG 31 15 04 13
CG 22 32 04 13	CG 22 48 04 13	CG 22 87 04 13	
CG 22 33 04 13	CG 22 69 04 13	CG 22 88 04 13	

Liquor Liability Exclusion Endorsements

The following endorsements are revised to reinforce that the exclusion applies even if claims against an insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others, or providing or failing to provide transportation with respect to any person that may be under the influence of alcohol:

- **CG 21 50 - Amendment of Liquor Liability Exclusion (For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02)**
- **CG 21 51 - Amendment of Liquor Liability Exclusion - Exception for Scheduled Premises or Activities (For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02)**

- **CG 29 52 - Amendment of Liquor Liability Exclusion (For use with Products Completed Operations Coverage Form - CG 00 37 and CG 00 38)**
- **CG 29 53 - Amendment of Liquor Liability Exclusion - Exception for Scheduled Premises or Activities (For use with Products Completed Operations Coverage Form - CG 00 37 and CG 00 38)**

Miscellaneous Changes

CG 21 66 - Exclusion - Volunteer Workers Endorsement - Revised to delete reference to "in the state" from Exclusion 2.g. (Aircraft or Watercraft) **(For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02)**

CG 22 64 and CG 28 12 - Pesticide or Herbicide Applicator Coverage Endorsements - Revised to reflect a change in the title to Herbicide Applicator - Limited Pollution Coverage endorsements. **(For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02 - CG 22 64) (For use with Owners and Contractors Protective Liability Coverage Form - CG 00 09 - CG 28 12)**

CG 22 71 - Colleges or Schools (Limited Form)

CG 22 72 - Colleges or Schools

Revised to expressly address, in part, claims alleging negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of others by any insured. **(For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02)**

CG 22 93 - Lawn Care Services Coverage Endorsement - Revised to reflect a change in the title to Lawn Care Services - Limited Pollution Coverage. **(For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02)**

CG 22 70 - Real Estate Property Managed Endorsement - Revised to reinforce that the insurance provided is excess over any other insurance available, whether such insurance is primary or excess. **(For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02)**

CG 24 14 - Waiver of Governmental Immunity Endorsement - Revised to reference that the endorsement also applies to the Owners and Contractors Protective Liability Coverage Part and the Railroad Protective Coverage Part. **(For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02, Owners and Contractors Protective Liability Coverage Form - CG 00 09 and Railroad Protective Liability Coverage Form - CG 00 35)**

CG 24 22 - Amendment of Coverage Territory - Worldwide Coverage

CG 24 23 - Amendment of Coverage Territory - Additional Scheduled Countries

CG 24 24 - Amendment of Coverage Territory - Worldwide Coverage with Specified Exceptions

Revised for consistency with the alpha numeric designator changes made to the Other Insurance Condition in previous filing. **(For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02)**

CG 24 26 - Amendment of Insured Contract Definition Endorsement

CG 24 27 - Limited Contractual Liability - Railroads Endorsement

Revised to reflect that the defined term insured contract addresses certain liability assumed by the named insured with respect to the tort liability of another party to the extent the assumption of the tort liability is permitted by law. **(For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02 and Products Completed Operations Coverage Form - CG 00 37 and CG 00 38)**

CG 25 14 - Designated Location Aggregate Limit Endorsement - Introduced to make a separate Designated Location Aggregate Limit available for each location of the insured listed in the Schedule of the endorsement. **(For use with Liquor Liability Coverage Form - CG 00 33 and CG 00 34)**

CG 27 10 - Supplemental Extended Reporting Period Endorsement

CG 27 11 - Supplemental Extended Reporting Period Endorsement for Specific Accidents, Products, Work or Locations Endorsement

Revised to amend the Other Insurance Condition (4.) so that the insurance provided is excess over any for which the named insured has been added as an additional insured, whether by endorsement or any other means. **(For use with Commercial General Liability Coverage Form - CG 00 01 and CG 00 02)**

CG 28 07 - Principals Protective Liability Coverage Endorsement - Revised to delete reference to "in the state" from Exclusion 2.c. (For use with Owners and Contractors Coverage Form - CG 00 09)

IMPORTANT NOTICE TO POLICYHOLDERS**BROADENINGS AND POTENTIAL REDUCTIONS OF COVERAGE****Property Extension Endorsement (CP 88 00 02 15)**

Dear Valued Policyholder,

Thank you for selecting us as your carrier for your commercial insurance. We are in the process of implementing policy administration system improvements. As a result, we are replacing certain coverage forms and endorsements with other forms, which may result in changes to your coverage.

This notice contains a brief summary of coverage changes organized by individual endorsements. Please note that not all of the endorsements noted may apply to your specific policy. In addition, this notice does not reference every editorial change made to the endorsement or coverage form, only significant coverage changes.

Please read your policy, and review your Declarations page for complete coverage information. No coverage is provided by this notice, nor can it be construed to replace any provisions of your policy. If there are discrepancies between your policy and this notice, the provisions of the policy shall prevail.

These changes become effective as of the effective date of your replacement policy. Please note that this notice does not apply to you or your policy in the event you have received, or do receive, a notice of cancellation or nonrenewal.

Should you have questions after reviewing the changes outlined below, please contact your independent agent. Thank you for your business.

Expiring Form	Expiring Form Number	New Form	New Form Number
Property Plus Endorsement	CP 75 91 11 02	Property Extension Endorsement	CP 88 00 02 15

BROADENING OF COVERAGE

- Accounts Receivable: The limit of insurance is changed from \$5,000 to \$10,000 per occurrence.
- Additional Covered Property: Bridges not exceeding 30 feet in length, roadways, walks, patios or other paved surfaces; Retaining walls (except retaining walls two feet or higher used to contain water or protect against wave action or storm surges) that are not part of a building.
- Appurtenant Structures: \$50,000 Building coverage per occurrence, and \$5,000 Business Personal Property coverage per occurrence is provided.
- Arson or Theft Reward: The limit of insurance is changed from \$5,000 to \$10,000 per occurrence.
- Back-up of Sewers or Drains: \$10,000 coverage per occurrence is added.
- Broadened Premises: The words "within 100 feet of the described premises" in Paragraph A.1.a.(5)(b), Building; Paragraph A.1.b., Your Business Personal Property; Paragraph A.1.c.(2), Personal Property of Others; and Paragraph A.5., Coverage Extensions are deleted, and replaced by "within 1,000 feet of the described premises."
- Computer Equipment: \$15,000 coverage per occurrence is provided. Includes laptops, and portable computers.
- Electronic Data: \$5,000 coverage in any one policy year is added.
- Fine Arts: \$10,000 per occurrence coverage is added.
- Fine Arts - In Transit: The \$10,000 per occurrence limit of insurance applies to fine arts in transit.
- Fire Protective Devices: Coverage is not limited to permanently installed fire protective devices.

- Lock Replacement: \$1,000 per occurrence coverage is added.
- Loss Adjustment Expenses: \$2,500 per occurrence coverage is added.
- Loss of Refrigeration: \$10,000 per occurrence coverage is added.
- Money and Securities: The limit of insurance is changed from \$500 to \$2,500 per occurrence inside or outside the insured premises.
- Newly Acquired or Constructed Property - Period of Coverage: The number of days is changed to 180.
- Property In Transit: Coverage is not limited to motor vehicles the insured owns, leases or operates.
- Real Property of Others Required by Contract: \$20,000 per occurrence coverage is added.
- Salesperson Samples: \$1,000 per salesperson in any one occurrence coverage is added.
- Special Deductible Provision: From any loss or damage covered under the Property Extension endorsement, we will deduct the amount of the Deductible shown in the Declarations that applies to the peril of fire unless otherwise stated in this endorsement. In the event there is more than one different Deductible on the policy applying to fire, the smallest such Deductible will apply. The Deductible shall apply separately to each occurrence.
- Special Valuation Provision: The limit of insurance is changed from \$2,500 to \$5,000.
- Utility Services Interruption - Direct Damage: \$5,000 per occurrence coverage is added. Losses due to above ground power transmission or distribution lines are excluded.
- Utility Services Interruption - Business Income: \$2,500 per occurrence coverage is added. Losses due to above ground power transmission or distribution lines are excluded.

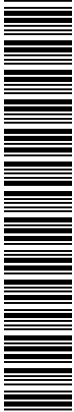
POTENTIAL REDUCTIONS OF COVERAGE

- Additional Covered Property - Coverage has been restricted to exclude coverage for trees, shrubs or plants, which are part of a vegetated roof.
- Debris Removal: No coverage.
- Extra Expense: The limit of insurance is changed from \$10,000 to \$10,000 per occurrence.
- Fire Department Service Charge: The limit of insurance is changed from Actual Loss Sustained to \$2,500 per occurrence.
- Fire Protective Devices: The limit of insurance is changed from Actual Loss Sustained to \$10,000 in each separate 12-month policy period.
- Forgery or Alteration: No coverage.
- Inflation Guard: No coverage.
- Lawn Coverage: No coverage.
- Money Orders and Counterfeit Money: No coverage.
- Newly Acquired or Constructed Property - Buildings: The limit of insurance is changed from \$500,000 at each building to \$500,000 at any one location.
- Newly Acquired or Constructed Property - Business Personal Property: The limit of insurance is changed from \$250,000 at each building to \$250,000 at any one location.
- Outdoor Property: The limit of insurance is changed from \$10,000 to \$5,000 per occurrence. Coverage has been restricted to exclude coverage for trees, shrubs or plants, which are part of a vegetated roof.
- Outdoor Signs (Attached and Detached): The limit of insurance is changed from \$7,500 to \$5,000 per sign per occurrence.
- Personal Effects and Property of Others: The limit of insurance is changed from \$10,000 at each described premises to \$10,000 per occurrence.

- Property Off-Premises: No coverage.
- Real Property of Others Required by Contract: Tenant building plate glass required by contract is not included in the Business Personal Property limit.
- Sonic Boom: No coverage.
- Valuable Papers and Records (Other than Electronic Data): The limit of insurance is changed from \$25,000 at each described premises to \$10,000 per occurrence.
- Vehicle Damage: No coverage.

The following extensions do not apply if a higher limit is shown in the HIGHER LIMITS endorsement, in an endorsement specific to that coverage or in the Declarations:

- Fire Department Service Charge
- Electronic Data
- Valuable Papers and Records (Other than Electronic Data)



GENERAL LIABILITY ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION EXCLUSIONS

ADVISORY NOTICE TO POLICYHOLDERS

Dear Valued Policyholder,

Thank you for selecting us as your carrier for your commercial insurance. Your renewal policy contains an exclusion regarding access or disclosure of personal information. There is more than one version of the exclusion and each is described below. Please note that not all of the forms or changes noted may apply to your specific policy. Any of the forms described in this notice may have comparable state specific forms in lieu of the forms mentioned below. In those situations, the title of the state forms on your policy will generally be very similar to one or more titles mentioned in this notice.

The changes described below would also apply to those state specific forms, unless noted otherwise. In addition, this notice does not reference every change made to the endorsements or coverage forms, only material (or significant) changes.

Please read your policy and review your declarations page for complete coverage information. No coverage is provided by this notice, nor can it be construed to replace any provisions of your policy. If there are discrepancies between your policy and this notice, the provisions of the policy shall prevail. Should you have questions after reviewing the changes outlined below, please contact your broker or agent. Thank you for your business.

With respect to bodily injury and property damage arising out of access or disclosure of confidential or personal information, these changes are a reinforcement of coverage intent. Damages related to data breaches, and certain data-related liability, are not intended to be covered by various liability coverage parts. These types of damages may be more appropriately covered under certain coverage endorsements providing data compromise, attack and extortion and network security liability.

CG 21 06 05 14 - Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability - With Limited Bodily Injury Exception (For Use With The Commercial General Liability Coverage Part)

When this endorsement is attached to your policy:

- Under Coverage **A** - Bodily Injury And Property Damage Liability, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.
- Under Coverage **B** - Personal And Advertising Injury Liability, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

CG 21 07 05 14 - Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability - Limited Bodily Injury Exception Not Included (For Use With The Commercial General Liability Coverage Part)

When this endorsement is attached to your policy:

- Under Coverage **A** - Bodily Injury And Property Damage Liability, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage. However, when this endorsement is attached, it will result in a reduction of coverage due to the deletion of an exception with respect to damages because of bodily injury arising out of loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

- Under Coverage **B** - Personal And Advertising Injury Liability, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

CG 21 08 05 14 - Exclusion - Access Or Disclosure Of Confidential Or Personal Information (Coverage B Only) (For Use With The Commercial General Liability Coverage Part)

When this endorsement is attached to your policy, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

CG 04 37 05 14 - Electronic Data Liability (For Use With The Commercial General Liability Coverage Part)

With respect to damages arising out of access or disclosure of confidential or personal information, when this endorsement is attached to your policy:

- Under Coverage **A** - Bodily Injury And Property Damage Liability, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.
- Under Coverage **B** - Personal And Advertising Injury Liability, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

CG 33 53 05 14 - Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability - With Limited Bodily Injury Exception (For Use With The Owners And Contractors Protective Liability Coverage Part and Products/Completed Operations Coverage Part)

When this endorsement is attached to your policy, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.

CG 33 59 05 14 - Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability - Limited Bodily Injury Exception Not Included (For Use With The Owners And Contractors Protective Liability and Products/Completed Operations Liability Coverage Parts)

When this endorsement is attached to your policy, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.

However, when this endorsement is attached, it will result in a reduction of coverage due to the deletion of an exception with respect to damages because of bodily injury arising out of loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

CG 33 63 05 14 - Exclusion - Access, Disclosure Or Unauthorized Use Of Electronic Data (For Use With The Electronic Data Liability Coverage Part)

With respect to damages arising out of access or disclosure of confidential or personal information, when this endorsement is attached to your policy coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.

However, to the extent that damages arising out of theft or unauthorized viewing, copying, use, corruption, manipulation or deletion, of electronic data by any Named Insured, past or present employee, temporary worker or volunteer worker of the Named Insured may extend beyond loss of electronic data arising out of such theft or the other listed items, this revision may be considered a reduction in coverage.

IMPORTANT POLICYHOLDER NOTICE CONCERNING YOUR EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

Dear Valued Policyholder,

Thank you for selecting us as your carrier for your commercial insurance. We are in the process of implementing policy administration system improvements. In conjunction with these system improvements, we are also enhancing, clarifying and revising many of our coverage forms and endorsements. As a result, we are replacing coverage forms and endorsements with other forms, which result in some changes to your coverage.

Your Employment Practices Liability Coverage was previously provided by the CG 80 22 Employment Practices Liability Insurance Coverage Form (or comparable state form). Your coverage will now be provided by the PR 88 00 Employment Practices Liability Coverage Form (or comparable state form). This notice contains a brief summary of the coverage changes made to your Employment Practices Liability Coverage. This notice does not reference every editorial change made to the coverage form, only material (or significant) coverage changes.

Please read your policy and review your declarations page for complete coverage information. No coverage is provided by this notice, nor can it be construed to replace any provisions of your policy. If there are discrepancies between your policy and this notice, the provisions of the policy shall prevail.

These changes become effective as of the effective date of your replacement policy. Please note that this notice does not apply to you or your policy in the event you have received, or do receive, a notice of cancellation or nonrenewal of your replacement policy.

Should you have questions after reviewing the changes outlined below, please contact your independent agent. Thank you for your business.


BROADENINGSN COVERAGE

- Your policy's definition of "employment practices" now includes employment related misrepresentation and any protected class or characteristic established by any applicable federal, state, or local statute. These changes to the definition broaden coverage.

MISCELLANEOUSCHANGES

This section contains a combination of editorial revisions, clarifications, and miscellaneous provision changes.

- When coverage was terminated or if certain changes in policy terms occurred, your expiring policy provided you with an opportunity to purchase a Supplemental Extended Reporting Period of 36 months. Your policy now provides both a 12 and 36 month optional Supplemental Extended Reporting Period. There is also a change in the number of days that you have to send a written request to purchase the Supplemental Extended Reporting Period. Your expiring policy allowed you to make such a request within 60 days after the end of the policy or the policy terms change. Your policy now requires that such requests be made within 30 days.
- Your policy now has an optional coinsurance participation provision that says each payment we make for damages under your policy is subject to your coinsurance participation. This means that you would pay a portion of each claim, after the application of any applicable deductible. Your policy has most likely been issued with a 0% coinsurance participation percentage, since that is similar to your expiring policy. However, you should refer to your Declarations Page to confirm your policy's coinsurance participation percentage. If you are interested in learning more about coinsurance, please contact your independent agent.

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- Your expiring policy contained a provision that, with our prior approval, authorized the first named insured to act on behalf of all insureds with respect to the payment of damages in settlement of any administrative hearing or other non-judicial proceeding before the Federal Equal Employment Opportunity Commission, or any similar federal, state or local body or commission. Your policy no longer contains a similar provision.
 - Your expiring policy contained a condition titled Transfer of Duties When Limit of Insurance is Used Up. This condition specified certain actions we would take if it was likely that your limits would be used up or if they had become used up. Your policy no longer contains this condition.
 - Your expiring policy did not contain a Premium Audit Condition. Your policy now contains this condition which says the advance premium is deposit premium only. At the end of each audit period we will compute the earned premium for that period. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess premium to you. If the sum of the advance and audit premiums paid for the policy period is less than the earned premium you will be required to pay the difference. The Premium Audit condition also requires that you keep records of the information that we need for premium computation, as well as send us copies of such information upon our request.
 - Your expiring policy authorized the first named insured to act on behalf of all insureds as respects the giving or receiving of notice of cancellation or nonrenewal, receiving premium refunds, requesting any supplemental extended reporting period and agreeing to any changes in the policy. Your policy no longer grants such authorization.
 - Your expiring policy covered awards that include legal fees when solely equitable relief, injunctive relief, declarative relief or any other non-monetary relief was sought. Your replacement policy expressly states that it covers awards of legal fees only if the claim seeks actual damages, and is not limited solely to seeking non-monetary relief.

REDUCTIONS IN COVERAGE

- Your policy indicates that your current and former directors are insureds under this policy, with respect to their duties as your director. This coverage applies only if your form of organization is other than a partnership, joint venture or limited liability company. Your expiring policy had a similar provision, but it included directors of limited liability companies. This results in a coverage reduction for directors if your organization is a limited liability company.
- Your expiring policy included any limited liability company you newly acquired or formed, and over which you maintained ownership or majority interest, as a named insured if there was no other similar insurance available. Your policy does not provide similar named insured status for newly acquired or formed limited liability companies. This results in a coverage reduction.
- The grace period providing coverage for certain newly acquired or formed organizations has been reduced from 120 days to 90 days after you acquire or form such organizations. Both your expiring policy and your replacement policy ended coverage at the policy expiration date, if that occurred before the grace period was up.
- If your expiring policy included CG 80 22 Employment Related Practices Liability with a limit of \$10,000 your policy was issued without this coverage. This results in a coverage reduction.

IMPORTANT NOTICE TO POLICYHOLDERS

BROADENINGS AND POTENTIAL REDUCTIONS OF COVERAGE

Property Extension Plus for Construction (CP 89 00 02 15)

Dear Valued Policyholder,

Thank you for selecting us as your carrier for your commercial insurance. We are in the process of implementing policy administration system improvements. As a result, we are replacing certain coverage forms and endorsements with other forms, which may result in changes to your coverage.

This notice contains a brief summary of coverage changes organized by individual endorsements. Please note that not all of the endorsements indicated may apply to your specific policy. In addition, this notice does not reference every editorial change made to the endorsement or coverage form; it only reflects significant coverage changes.

Please read your policy and review your Declarations page for complete coverage information. No coverage is provided by this notice, nor can it be construed to replace any provisions of your policy. If there are discrepancies between your policy and this notice, the provisions of the policy shall prevail.

These changes become effective as of the effective date of your replacement policy. Please note that this notice does not apply to you or your policy in the event you have received, or do receive, a notice of cancellation or nonrenewal.

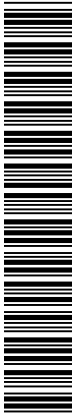
Should you have questions after reviewing the changes outlined below, please contact your independent agent. Thank you for your business.

Expiring Form	Expiring Form Number	New Form	New Form Number
Contractors Ultra Property Plus	CP 75 60 11 02	Property Extension Plus for Construction	CP 89 00 02 15

BROADENINGS OF COVERAGE

- **ACCOUNTS RECEIVABLE**
Limit is increased from \$25,000 to \$100,000 in any one occurrence at the described premises, and increased from \$1,000 to \$25,000 in any one occurrence away from the premises.
- **APPURTENANT STRUCTURES**
A limit is \$50,000 in any one occurrence for Building loss or damage, and a limit of \$5,000 in any one occurrence for Business Personal Property loss or damage is provided.
- **ARSON OR THEFT REWARD**
Limit is increased from \$5,000 to \$25,000 in any one occurrence regardless of the number of persons providing information.
- **BACK-UP OF SEWERS OR DRAINS**
Limit is increased from \$5,000 to \$25,000 in any one occurrence.
- **BUSINESS PERSONAL PROPERTY- SEASONAL INCREASE**
A 25% up to \$250,000 in any one occurrence limit is provided.
- **COMPUTER EQUIPMENT**
Limit is increased from \$2,500 to \$30,000 for loss or damage to "computer equipment" and "laptop/portable computers".
- **COMPUTER EQUIPMENT EXTRA EXPENSE**
A limit of \$7,500 in any one occurrence is provided.
- **CONSEQUENTIAL LOSS**
A limit of \$25,000 in any one occurrence is provided.

- CONSEQUENTIAL LOSS TO PAIR OR SET
Coverage is included in the Business Personal Property Limit.
- CONTRACT PENALTY
A limit of \$5,000 in any one occurrence is provided.
- DEBRIS REMOVAL
Limit is increased from \$25,000 to \$50,000 in any one occurrence.
- EMPLOYEE DISHONESTY
A limit of \$50,000 for loss or damage in any one occurrence is provided.
- ELECTRONIC DATA
\$15,000 in any one policy year and \$5,000 in any one policy year for Electronic Data in Transit is provided.
- EMPLOYEE TOOLS COVERAGE
A limit of \$10,000 in any one occurrence is provided.
- EQUIPMENT LEASED OR RENTED FROM OTHERS
A limit of \$25,000 in any one occurrence is provided.
- FINE ARTS
A limit of \$25,000 in any one occurrence is provided.
- FORGERY OR ALTERATION
Limit is increased from \$5,000 to \$25,000 in any one occurrence.
- INSTALLATION COVERAGE
A limit of \$25,000 in any one occurrence is provided.
- LEASEHOLD INTEREST
A limit of \$25,000 in any one occurrence is provided.
- LOCK REPLACEMENT
A Limit of \$2,500 in any one occurrence is provided.
- LOSS ADJUSTMENT EXPENSES
\$10,000 in any one occurrence is provided.
- LOST KEY COVERAGE
A limit of \$10,000 in any one occurrence is provided.
- MONEY AND SECURITIES
Limit is increased from \$500 to \$25,000 in any one occurrence Inside the described premises, or \$10,000 in any one occurrence Outside the Premises.
- MONEY ORDERS AND COUNTERFEIT MONEY
Limit is increased from \$1,000 to \$2,500 in any one occurrence.
- NEWLY ACQUIRED BUILDINGS
Limit is increased from \$500,000 to \$1,000,000.



- **ORDINANCE OR LAW**
The undamaged portion of the building is included in the building limit, and \$200,000 combined at any one location is provided for coverage B and C.
- **OUTDOOR PROPERTY**
Limit is increased from \$10,000 to \$25,000 with not more than \$1,000 for any one tree, shrub or plant.
- **PERSONAL EFFECTS AND PROPERTY OF OTHERS**
Limit is increased from \$10,000 for personal effects and property of others, and \$10,000 for property in your care, custody and control to \$25,000 in any one occurrence.
- **POLLUTANT CLEAN UP AND REMOVAL**
A limit of \$25,000 for each described premises for Covered Cause of Loss occurring during each separate 12-month period of this policy is provided.
- **PRESERVATION OF PROPERTY**
90 days is provided.
- **REAL PROPERTY OF OTHERS REQUIRED BY CONTRACT**
A limit of \$50,000 in any one occurrence for loss or damage to covered property is provided.
- **SALESPERSON SAMPLES**
A limit of \$5,000 for each salesperson in any one occurrence is provided.
- **SIGNS**
Limit is increased from \$7,500 (attached) to \$10,000 per sign in any one occurrence (attached and unattached).
- **SMALL TOOLS**
A limit of \$10,000 in any one occurrence and \$1,000 maximum in any one tool is provided.
- **SPECIAL DEDUCTIBLE PROVISION**
From any loss or damage covered under this endorsement, we will deduct the amount of the deductible shown in the Declarations that applies to the peril of fire unless otherwise stated in the endorsement. In the event there is more than one different deductible on the policy applying to fire, the smallest such deductible will apply. The deductible shall apply separately to each occurrence.
- **UTILITY SERVICES DIRECT DAMAGE**
A limit of \$25,000 in any one occurrence is provided.
- **UTILITY SERVICES INTERRUPTION - BUSINESS INCOME**
A limit of \$25,000 in any one occurrence is provided.
- **VALUABLE PAPERS**
Limit is increased from \$25,000 to \$100,000 in any one occurrence.
- **WATER SEEPAGE**
A limit of \$10,000 in any one occurrence is provided.

POTENTIAL REDUCTIONS OF COVERAGE

- **BUSINESS INCOME AND EXTRA EXPENSE**

Limit is decreased from actual loss sustained for business income, and \$5,000 for expense to \$50,000 for business income and extra expense. (Actual claim could be an increase in coverage depending on amount of extra expense needed).

- **FIRE DEPARTMENT SURCHARGE**

Limit is reduced from actual loss sustained to a \$25,000 limit in any one occurrence.

- **FIRE PROTECTIVE EQUIPMENT**

Limit is reduced from actual loss sustained for fire extinguisher recharge only to a \$25,000 limit for fire protective equipment. (Fire equipment losses other than fire extinguishers may be an increase in coverage).

- **INFLATION GUARD**

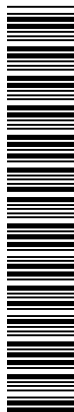
Percentage is reduced from 4% to 3%.

- **LAWN COVERAGE**

Coverage is not included.

- **STAMPS, TICKETS, INCLUDING LOTTERY TICKETS HELD FOR SALE AND LETTERS OF CREDIT**

Coverage is not automatically included.



POLICYHOLDER NOTICE - COMPANY CONTACT INFORMATION

In the event you need to contact someone about this policy for any reason, please contact your Sales Representative or Producer of Record as shown on the policy Declarations or Information Page.

If you have additional questions, you may contact the company at the following address:

Liberty Mutual Insurance
175 Berkeley Street
Boston, MA 02116
+1 (800) 344-0197



Coverage is provided by
West American Insurance Company

Policy Number:
BKW(20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

Common Policy Declarations

Named Insured & Mailing Address

J & S WELDING INC
2579 N 9TH AVE
HUMBOLDT, TN 38343

Agent Mailing Address & Phone No.

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE
PO BOX 347
HUMBOLDT, TN 38343-0347

Named Insured Is: INDIVIDUAL

Named Insured Business Is: WELDING SHOP

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

SUMMARY OF COVERAGE PARTS AND CHARGES

This policy consists of this Common Policy Declarations page, Common Policy Conditions, Coverage Parts (which consist of coverage forms and other applicable forms and endorsements, if any, issued to form a part of them) and any other forms and endorsements issued to be part of this policy.

COVERAGE PART

CHARGES

Commercial Property	\$3,086.00
Commercial Inland Marine	\$253.00
Commercial General Liability	\$4,142.00

Total Charges for all of the above coverage parts: \$7,481.00
Certified Acts of Terrorism Coverage: \$60.00 (Included)

Note: This is not a bill

IMPORTANT MESSAGES

- This policy is auditable. Please refer to the conditions of the policy for details or contact your agent.
- Notice: The Employment-Related Practices Exclusion CG 21 47 is added to this policy to clarify there is no coverage for liability arising out of employment-related practices. Please read this endorsement carefully.

Issue Date 08/28/19

Authorized Representative

To report a claim, call your Agent or 1-800-366-6446

DS 70 21 11 16



Coverage is Provided by:
West American Insurance Company

Policy Number:

BKW (20) 56 41 58 45

Policy Period:

From 11/04/2019 To 11/04/2020

12:01 am Standard Time
at Insured Mailing Location

Common Policy Declarations

Named Insured

J & S WELDING INC
2579 N 9TH AVE
HUMBOLDT, TN 38343

Agent

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE
PO BOX 347
HUMBOLDT, TN 38343-0347

SUMMARY OF LOCATIONS

This policy provides coverage for the following under one or more coverage parts. Please refer to the individual Coverage Declarations Schedules, or, the individual Coverage Forms for locations or territory definition for that specific Coverage Part.

0001 2579 N 9th Ave Bldg 1, Humboldt, TN 38343-1717

0002 2579 N 9th Ave Bldg 2, Humboldt, TN 38343-1717

POLICY FORMS AND ENDORSEMENTS

This section lists the Forms and Endorsements for your policy. Refer to these documents as needed for detailed information concerning your coverage.

FORM NUMBER	TITLE
CG 00 01 04 13	Commercial General Liability Coverage Form - Occurrence
CG 21 06 05 14	Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception
CG 21 47 12 07	Employment-Related Practices Exclusion
CG 21 67 12 04	Fungi or Bacteria Exclusion
CG 21 70 01 15	Cap on Losses from Certified Acts of Terrorism
CG 21 76 01 15	Exclusion of Punitive Damages Related to a Certified Act of Terrorism
CG 21 86 12 04	Exclusion - Exterior Insulation and Finish Systems
CG 22 79 04 13	Exclusion - Contractors - Professional Liability
CG 24 26 04 13	Amendment of Insured Contract Definition
CG 84 94 12 08	Exclusion - Consolidated Insurance Programs Wrap-Up
CG 84 99 08 09	Non-Cumulation Liability Limits Same Occurrence
CG 88 10 04 13	Commercial General Liability Extension
CG 88 77 12 08	Medical Expense At Your Request Endorsement

In witness whereof, we have caused this policy to be signed by our authorized officers.

Mark Touhey
Secretary

Paul Condryn
President

To report a claim, call your Agent or 1-844-325-2467

DS 70 21 11 16



Coverage is Provided by
West American Insurance Company

Policy Number:

BKW(20) 56 41 58 45

Policy Period:

From 11/04/2019 To 11/04/2020

12:01 am Standard Time
at Insured Mailing Location

Common Policy Declarations

Named Insured

J & S WELDING INC
2579 N 9TH AVE
HUMBOLDT, TN 38343

Agent

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE
PO BOX 347
HUMBOLDT, TN 38343-0347

POLICY FORMS AND ENDORSEMENTS - CONTINUED

This section lists all of the Forms and Endorsements for your policy. Refer to these documents as needed for detailed information concerning your coverage.

FORM NUMBER

TITLE

CG 88 86 12 08	Exclusion - Asbestos Liability
CL 01 00 03 99	Common Policy Conditions
CL 01 18 01 01	Amendatory Endorsement - Tennessee
CL 06 00 01 15	Certified Terrorism Loss
CL 07 00 10 06	Virus or Bacteria Exclusion
CP 00 10 10 12	Building and Personal Property Coverage Form
CP 00 90 07 88	Commercial Property Conditions
CP 01 40 07 06	Exclusion of Loss Due to Virus or Bacteria
CP 10 30 10 12	Causes of Loss - Special Form
CP 12 18 10 12	Loss Payable Provisions
CP 88 04 03 10	Removal Permit
CP 88 36 10 13	Roof Surfacing Cosmetic Loss Exclusion
CP 89 00 02 15	Property Extension Plus For Construction
CP 90 59 12 12	Identity Theft Administrative Services and Expense Coverage
CP 92 01 05 17	Property Anti-Stacking Endorsement
IL 00 17 11 98	Common Policy Conditions
IL 00 21 09 08	Nuclear Energy Liability Exclusion Endorsement (Broad Form)
IL 02 50 09 08	Tennessee Changes - Cancellation and Nonrenewal
IL 09 35 07 02	Exclusion of Certain Computer-Related Losses
IL 09 52 01 15	Cap On Losses From Certified Acts Of Terrorism
IM 71 00 06 04	Installation Floater Coverage

To report a claim, call your Agent or 1-844-325-2467

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Coverage is Provided In:
West American Insurance Company

Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

**Commercial Property
Declarations**

Named Insured

Agent

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

SUMMARY OF CHARGES

Explanation of Charges	DESCRIPTION	PREMIUM
	<u>Property Schedule Totals</u>	<u>\$3,046.00</u>
	<u>Certified Acts of Terrorism Coverage</u>	<u>\$40.00</u>

Total Advance Charges: \$3,086.00
Note: This is not a bill

To report a claim, call your Agent or 1-844-325-2467

DS 70 22 01 08



Coverage is Provided In:
West American Insurance Company

Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

**Commercial Property
Declarations Schedule**

Named Insured

Agent

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

SUMMARY OF PROPERTY COVERAGES - BY LOCATION

Insurance at the described premises applies only for coverages for which a limit of insurance is shown. Optional coverages apply only when entries are made in this schedule.

0001 2579 N 9th Ave Bldg 1, Humboldt, TN 38343-1717

**Property
Characteristics**

Description:

Construction: Non-Combustible

**Building
Coverage**

Occupancy: Welding Or Cutting - Welding Shops

Description

Limit of Insurance - Replacement Cost **\$233,772**

Coinsurance **90%**

Covered Causes of Loss

Special Form - Including Theft

Deductible - All Covered Causes of Loss Unless Otherwise Stated **\$1,000**

Roof Surfacing Cosmetic Loss Exclusion See Endorsement CP8836

Premium \$1,190.00

To report a claim, call your Agent or 1-844-325-2467

DS 70 23 01 08



Coverage is Provided In:
West American Insurance Company

Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

**Commercial Property
Declarations Schedule**

Named Insured

Agent

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

SUMMARY OF PROPERTY COVERAGES - BY LOCATION

Continuation of 2579 N 9th Ave Bldg 1, Humboldt, TN 38343-1717

Your Business

**Personal Property
Coverage**

Occupancy:

Description

Limit of Insurance - Replacement Cost **\$241,164**

Coinurance **90%**

Covered Causes of Loss

Special Form - Including Theft

Deductible - All Covered Causes of Loss Unless Otherwise Stated **\$1,000**

Premium \$1,269.00

0002 2579 N 9th Ave Bldg 2, Humboldt, TN 38343-1717

Property

Characteristics

Description:

Construction: Frame

To report a claim, call your Agent or 1-844-325-2467

DS 70 23 01 08



Coverage is Provided In:
West American Insurance Company

Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

**Commercial Property
Declarations Schedule**

Named Insured

Agent

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

SUMMARY OF PROPERTY COVERAGES - BY LOCATION

Continuation of 2579 N 9th Ave Bldg 2, Humboldt, TN 38343-1717

**Building
Coverage**

Occupancy: Welding Or Cutting - Contractors Equipment Storage

Description

Limit of Insurance - Replacement Cost **\$35,424**

Coinurance **90%**

Covered Causes of Loss

Special Form - Including Theft

Deductible - All Covered Causes of Loss Unless Otherwise Stated **\$1,000**

Roof Surfacing Cosmetic Loss Exclusion See Endorsement CP8836

Premium \$325.00

SUMMARY OF OTHER PROPERTY COVERAGES

**Identity Theft
Administrative
Services**

Description

Limit of Insurance See Endorsement CP9059

And Expense Coverage

Premium \$12.00

**Property
Extension
Endorsement**

Description

Construction Plus Extension **\$250.00**

Premium \$250.00

Commercial Property Schedule Total:

\$3,046.00

To report a claim, call your Agent or 1-844-325-2467

DS 70 23 01 08



Coverage is Provided In:
West American Insurance Company

Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

**Commercial Inland Marine
Declarations**

Named Insured

Agent

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

SUMMARY OF CHARGES

Explanation of Charges	DESCRIPTION	PREMIUM
	<u>Installation Floater Coverage</u>	<u>\$250.00</u>
	<u>Commercial Inland Marine Schedule Totals</u>	<u>\$250.00</u>
	<u>Certified Acts of Terrorism Coverage</u>	<u>\$3.00</u>

Total Advance Charges: \$253.00

Note: This is not a bill

To report a claim, call your Agent or 1-844-325-2467

DS 70 22 01 08



Coverage is provided by:
West American Insurance Company

Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

Commercial Inland Marine
Declarations Schedule

Named Insured

Agent

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

INSTALLATION FLOATER COVERAGE

-

PROPERTY COVERED

(X) Blanket Coverage

Limit

Jobsite Limit -- The most "we" pay for
loss to any one "jobsite" is: \$ 25,000

Catastrophe Limit -- The most "we" pay for
loss to any one occurrence is: \$ 25,000

() Scheduled Locations Coverage

Loc. No.	Location	Limit
		\$ _____

Catastrophe Limit -- The most "we" pay for
loss to any one occurrence is: \$ _____

COVERAGE EXTENSIONS

Additional Debris Removal Expenses \$ 5,000

Emergency Removal 10 days

Limited Fungus Coverage \$ 15,000

SUPPLEMENTAL COVERAGES

Contract Penalty \$ 5,000

Pollutant Cleanup and Removal \$ 10,000

Sewer Backup Coverage \$ 5,000

Storage Locations \$ 5,000

Testing \$ 5,000

Transit \$ 5,000

To report a claim, call your Agent or 1-844-325-2467

IM 71 05 04 04



Coverage is provided in:
West American Insurance Company

Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

Commercial Inland Marine
Declarations Schedule

Named Insured

Agent

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

SUPPLEMENTAL COVERAGES (cont)

Earthquake Coverage

Earthquake Limit -- The most "we" pay
for loss to any one building or
structure is:

\$ _____

Earthquake Catastrophe Limit -- The most
"we" pay for loss in any one occurrence is:

\$ _____

Flood Coverage

Flood Limit -- The most "we" pay
for loss to any one building or
structure is:

\$ _____

Flood Catastrophe Limit -- The most
"we" pay for loss in any one occurrence is:

\$ _____

DEDUCTIBLE

Deductible Amount

\$ 500

Deductible Amount

() Earthquake Coverage

\$ _____

() Flood Coverage

\$ _____

() Sewer Backup Coverage

\$ _____

COINSURANCE

() Not Applicable

() 80% (X) 90% () 100% () Other _____%

To report a claim, call your Agent or 1-844-325-2467

IM 71 05 04 04

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Coverage is Provided in:
West American Insurance Company

Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

Commercial General Liability
Declarations
Basis: Occurrence

Named Insured

Agent

J & S WELDING INC

(731) 784-9171
SUNSTAR INSURANCE GROUP, LLC DBA
FSB INSURANCE

SUMMARY OF LIMITS AND CHARGES

Commercial General Liability Limits of Insurance	DESCRIPTION	LIMIT
	Each Occurrence Limit	1,000,000
	Damage To Premises Rented To You Limit (Any One Premises)	200,000
	Medical Expense Limit (Any One Person)	15,000
	Personal and Advertising Injury Limit	1,000,000
	General Aggregate Limit (Other than Products - Completed Operations)	1,000,000
	Products - Completed Operations Aggregate Limit	1,000,000

Explanation of Charges	DESCRIPTION	PREMIUM
	General Liability Schedule Totals	4,125.00
	Certified Acts of Terrorism Coverage	17.00

Total Advance Charges: \$4,142.00

Note: This is not a bill

To report a claim, call your Agent or 1-844-325-2467

DS 70 22 01 08



Coverage is provided in:
West American Insurance Company

Policy Number:
BKW (20) 56 41 58 45
Policy Period:
From 11/04/2019 To 11/04/2020
12:01 am Standard Time
at Insured Mailing Location

**Commercial General Liability
Declarations Schedule**

Named Insured	Agent
J & S WELDING INC	(731) 784-9171 SUNSTAR INSURANCE GROUP, LLC DBA FSB INSURANCE

SUMMARY OF CLASSIFICATIONS - BY LOCATION

0001 2579 N 9th Ave Bldg 1, Humboldt, TN 38343-1717

Insured: J & S WELDING INC

CLASSIFICATION - 99969

Welding Or Cutting

COVERAGE DESCRIPTION	PREMIUM BASED ON - Individual Payroll	RATED / PER 1,000	PREMIUM
Premise/Operations	13,300 Dollars Of Payroll	20.602	\$274.00
<i>Total:</i>			<i>\$274.00</i>
Products/Completed Operations		14.548	\$193.00
<i>Total:</i>			<i>\$193.00</i>

CLASSIFICATION - 99969

Welding Or Cutting

COVERAGE DESCRIPTION	PREMIUM BASED ON - Employees Payroll	RATED / PER 1,000	PREMIUM
Premise/Operations	104,053 Dollars Of Payroll	20.602	\$2,144.00
<i>Total:</i>			<i>\$2,144.00</i>
Products/Completed Operations		14.548	\$1,514.00
<i>Total:</i>			<i>\$1,514.00</i>

Commercial General Liability Schedule Total \$4,125.00

To report a claim, call your Agent or 1-844-325-2467

DS 70 23 10 16

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

SECTION I - COVERAGES

COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (2) The "bodily injury" or "property damage" occurs during the policy period; and
 - (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or

- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

- (i) Any insured; or
- (ii) Any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of

the operations being performed by such insured, contractor or subcontractor;

- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
 - (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section **III - Limits Of Insurance.**

COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section **III - Limits Of Insurance**; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages **A** and **B**.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods - Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a., b. and c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COVERAGE C - MEDICAL PAYMENTS**1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletics contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I - Coverage A - Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
- 2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage **C**;

- b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage **B**.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
- a. Damages under Coverage **A**; and
 - b. Medical expenses under Coverage **C** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** - Coverage **A** - Bodily Injury And Property Damage Liability.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or

- (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
9. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;

- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;

- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- 13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- 15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

- a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
- (a) You;
- (b) Others trading under your name; or
- (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

- b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

- a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

- b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY - WITH
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2.p. of **Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

- p. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- B. The following is added to Paragraph 2. **Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT - RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** The following exclusion is added to Paragraph 2. Exclusions of **Section I - Coverage A - Bodily Injury And Property Damage Liability**:

2., Exclusions

This insurance does not apply to:

Fungi or Bacteria

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

- B.** The following exclusion is added to Paragraph 2. Exclusions of **Section I - Coverage B - Personal And Advertising Injury Liability**:

2. Exclusions

This insurance does not apply to:

Fungi or Bacteria

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C.** The following definition is added to the **Definitions** Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF PUNITIVE DAMAGES
RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - EXTERIOR INSULATION AND FINISH SYSTEMS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:
1. The design, manufacture, construction, fabrication, preparation, distribution and sale, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any "exterior insulation and finish system" or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system; or
 2. "Your product" or "your work" with respect to any exterior component, fixture or feature of any structure if an "exterior insulation and finish system", or any substantially similar system, is used on the part of that structure containing that component, fixture or feature.
- B.** The following definition is added to the **Definitions** Section:
- "Exterior insulation and finish system" means a non-load bearing exterior cladding or finish system, and all component parts therein, used on any part of any structure, and consisting of:
1. A rigid or semi-rigid insulation board made of expanded polystyrene and other materials;
 2. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
 3. A reinforced or unreinforced base coat;
 4. A finish coat providing surface texture to which color may be added; and
 5. Any flashing, caulking or sealant used with the system for any purpose.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - CONTRACTORS - PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2. **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability** and Paragraph 2. **Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

1. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional services by you or on your behalf, but only with respect to either or both of the following operations:
 - a. Providing engineering, architectural or surveying services to others in your capacity as an engineer, architect or surveyor; and
 - b. Providing, or hiring independent professionals to provide, engineering, architectural or surveying services in connection with construction work you perform.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any professional services by you or on your behalf with respect to the operations described above.

2. Subject to Paragraph 3. below, professional services include:
 - a. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
 - b. Supervisory or inspection activities performed as part of any related architectural or engineering activities.
3. Professional services do not include services within construction means, methods, techniques, sequences and procedures employed by you in connection with your operations in your capacity as a construction contractor.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the **Definitions** section is replaced by the following:

"Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - CONSOLIDATED INSURANCE PROGRAMS
(WRAP-UP)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraphs 2. of Section I - Coverage A - Bodily Injury And Property Damage Liability, Coverage B - Personal And Advertising Injury and Coverage C - Medical Payments:**

2. Exclusions

This insurance does not apply to:

"Bodily injury", "property damage", "personal injury and advertising injury" or medical expenses arising directly or indirectly out of your current ongoing operations or included within the "products-completed operations hazard" at any site or location where you or your subcontractors or employees working on your behalf are performing or previously performed operations if any insured under this policy entered into contracts or agreements commonly referred to as consolidated insurance programs (Wrap-Up) providing general liability coverage at that site or location.

However, this exclusion does not apply to other jobs or work that you performed at such site or location if such other jobs or work were not done as part of contracts or agreements commonly referred to as consolidated insurance programs (Wrap-Up).

This exclusion applies whether or not the consolidated insurance programs (Wrap-Up):

- a. Provide coverage identical to that provided by this coverage part;
- b. Have limits adequate to cover all claims; or
- c. Remain in effect.

- B. The following is added to Section IV - Commercial General Liability Conditions Paragraph 5. Premium Audit:**

In computing premium for this policy, we will not include any payroll or costs paid to your subcontractors for work at any site or location where any insured under this policy had entered into contracts or agreements commonly referred to as consolidated insurance programs (Wrap-Up) providing insurance coverage at that site or location prior to your work at such site or location.

A copy of the consolidated insurance program (Wrap-Up) certificate or similar documents issued to you verifying coverage must be provided to us when we audit this policy.

COMMERCIAL GENERAL LIABILITY
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NON-CUMULATION OF LIABILITY LIMITS
(SAME OCCURRENCE)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to Paragraph 5. under **Section III - Limits Of Insurance**:

Non-Cumulation of Liability - Same Occurrence - If one "occurrence" causes "bodily injury" or "property damage" during the policy period and during the policy period of one or more prior, or future, general liability policies issued to you by us, then this policy's Each Occurrence Limit will be reduced by the amount of each payment made by us under the other policies because of such "occurrence."

For purposes of this endorsement, the term "us" also includes all policies issued by any company within the Liberty Mutual Agency Markets division of Liberty Mutual Group.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL GENERAL LIABILITY EXTENSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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With respect to coverage afforded by this endorsement, the provisions of the policy apply unless modified by the endorsement.

A. NON-OWNED AIRCRAFT

Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, exclusion g. Aircraft, Auto Or Watercraft does not apply to an aircraft provided:

1. It is not owned by any insured;
2. It is hired, chartered or loaned with a trained paid crew;
3. The pilot in command holds a currently effective certificate, issued by the duly constituted authority of the United States of America or Canada, designating her or him a commercial or airline pilot; and
4. It is not being used to carry persons or property for a charge.

However, the insurance afforded by this provision does not apply if there is available to the insured other valid and collectible insurance, whether primary, excess (other than insurance written to apply specifically in excess of this policy), contingent or on any other basis, that would also apply to the loss covered under this provision.

B. NON-OWNED WATERCRAFT

Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Subparagraph (2) of exclusion g. Aircraft, Auto Or Watercraft is replaced by the following:

This exclusion does not apply to:

- (2) A watercraft you do not own that is:
 - (a) Less than 52 feet long; and
 - (b) Not being used to carry persons or property for a charge.

C. PROPERTY DAMAGE LIABILITY - ELEVATORS

1. Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability, Subparagraphs (3), (4) and (6) of exclusion j. Damage To Property do not apply if such "property damage" results from the use of elevators. For the purpose of this provision, elevators do not include vehicle lifts. Vehicle lifts are lifts or hoists used in automobile service or repair operations.
2. The following is added to Section IV - Commercial General Liability Conditions, Condition 4. Other Insurance, Paragraph b. Excess Insurance:

The insurance afforded by this provision of this endorsement is excess over any property insurance, whether primary, excess, contingent or on any other basis.

D. EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage)

If Damage To Premises Rented To You is not otherwise excluded from this Coverage Part:

1. Under Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury and Property Damage Liability:

- a. The fourth from the last paragraph of exclusion j. Damage To Property is replaced by the following:

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire, lightning, explosion, smoke, or leakage from an automatic fire protection system) to:

- (i) Premises rented to you for a period of 7 or fewer consecutive days; or
- (ii) Contents that you rent or lease as part of a premises rental or lease agreement for a period of more than 7 days.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" to contents of premises rented to you for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to this coverage as described in Section III - Limits of Insurance.

- b. The last paragraph of subsection **2. Exclusions** is replaced by the following:

Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, smoke or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to Damage To Premises Rented To You as described in **Section III - Limits Of Insurance**.

2. Paragraph **6.** under **Section III - Limits Of Insurance** is replaced by the following:

6. Subject to Paragraph **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to:

- a. Any one premise:

(1) While rented to you; or

(2) While rented to you or temporarily occupied by you with permission of the owner for damage by fire, lightning, explosion, smoke or leakage from automatic protection systems; or

- b. Contents that you rent or lease as part of a premises rental or lease agreement.

3. As regards coverage provided by this provision **D. EXTENDED DAMAGE TO PROPERTY RENTED TO YOU (Tenant's Property Damage)** - Paragraph **9.a.** of **Definitions** is replaced with the following:

- 9.a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke, or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with the permission of the owner, or for damage to contents of such premises that are included in your premises rental or lease agreement, is not an "insured contract".

E. MEDICAL PAYMENTS EXTENSION

If **Coverage C Medical Payments** is not otherwise excluded, the Medical Payments provided by this policy are amended as follows:

Under Paragraph **1. Insuring Agreement** of **Section I - Coverage C - Medical Payments**, Subparagraph **(b)** of Paragraph **a.** is replaced by the following:

- (b)** The expenses are incurred and reported within three years of the date of the accident; and

F. EXTENSION OF SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

1. Under **Supplementary Payments - Coverages A and B**, Paragraph **1.b.** is replaced by the following:

- b. Up to **\$3,000** for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

2. Paragraph **1.d.** is replaced by the following:

- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to **\$500** a day because of time off from work.

G. ADDITIONAL INSURED - BY CONTRACT, AGREEMENT OR PERMIT

1. Paragraph **2.** under **Section II - Who Is An Insured** is amended to include as an insured any person or organization whom you have agreed to add as an additional insured in a written contract, written agreement or permit. Such person or organization is an additional insured but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part by:

- a. Your acts or omissions, or the acts or omissions of those acting on your behalf, in the performance of your on going operations for the additional insured that are the subject of the written contract or written agreement provided that the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" is committed, subsequent to the signing of such written contract or written agreement; or

- b. Premises or facilities rented by you or used by you; or
- c. The maintenance, operation or use by you of equipment rented or leased to you by such person or organization; or
- d. Operations performed by you or on your behalf for which the state or political subdivision has issued a permit subject to the following additional provisions:
- (1) This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of the operations performed for the state or political subdivision;
 - (2) This insurance does not apply to "bodily injury" or "property damage" included within the "completed operations hazard".
 - (3) Insurance applies to premises you own, rent, or control but only with respect to the following hazards:
 - (a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners, or decorations and similar exposures; or
 - (b) The construction, erection, or removal of elevators; or
 - (c) The ownership, maintenance, or use of any elevators covered by this insurance.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to Paragraph 1.a. above, a person's or organization's status as an additional insured under this endorsement ends when:

- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
- (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

With respect to Paragraph 1.b. above, a person's or organization's status as an additional insured under this endorsement ends when their written contract or written agreement with you for such premises or facilities ends.

With respects to Paragraph 1.c. above, this insurance does not apply to any "occurrence" which takes place after the equipment rental or lease agreement has expired or you have returned such equipment to the lessor.

The insurance provided by this endorsement applies only if the written contract or written agreement is signed prior to the "bodily injury" or "property damage".

We have no duty to defend an additional insured under this endorsement until we receive written notice of a "suit" by the additional insured as required in Paragraph b. of Condition 2. **Duties In the Event Of Occurrence, Offense, Claim Or Suit** under **Section IV - Commercial General Liability Conditions**.

2. With respect to the insurance provided by this endorsement, the following are added to Paragraph 2. **Exclusions under Section I - Coverage A - Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

- a. "Bodily injury" or "property damage" arising from the sole negligence of the additional insured.
- b. "Bodily injury" or "property damage" that occurs prior to you commencing operations at the location where such "bodily injury" or "property damage" occurs.
- c. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (2) Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of, or the failure to render, any professional architectural, engineering or surveying services.

- d. "Bodily injury" or "property damage" occurring after:
 - (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
 - (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
- e. Any person or organization specifically designated as an additional insured for ongoing operations by a separate **ADDITIONAL INSURED -OWNERS, LESSEES OR CONTRACTORS** endorsement issued by us and made a part of this policy.

3. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement; or
 - b. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

H. PRIMARY AND NON-CONTRIBUTORY ADDITIONAL INSURED EXTENSION

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this policy.

Condition 4. Other Insurance of SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS is amended as follows:

- a. The following is added to Paragraph a. **Primary Insurance:**

If an additional insured's policy has an Other Insurance provision making its policy excess, and you have agreed in a written contract or written agreement to provide the additional insured coverage on a primary and noncontributory basis, this policy shall be primary and we will not seek contribution from the additional insured's policy for damages we cover.

b. The following is added to Paragraph b. Excess Insurance:

When a written contract or written agreement, other than a premises lease, facilities rental contract or agreement, an equipment rental or lease contract or agreement, or permit issued by a state or political subdivision between you and an additional insured does not require this insurance to be primary or primary and non-contributory, this insurance is excess over any other insurance for which the additional insured is designated as a Named Insured.

Regardless of the written agreement between you and an additional insured, this insurance is excess over any other insurance whether primary, excess, contingent or on any other basis for which the additional insured has been added as an additional insured on other policies.

I. ADDITIONAL INSURED - EXTENDED PROTECTION OF YOUR "LIMITS OF INSURANCE"

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this policy.

1. The following is added to Condition 2. Duties In The Event Of Occurrence, Offense, Claim or Suit:

An additional insured under this endorsement will as soon as practicable:

- a. Give written notice of an "occurrence" or an offense that may result in a claim or "suit" under this insurance to us;
- b. Tender the defense and indemnity of any claim or "suit" to all insurers whom also have insurance available to the additional insured; and
- c. Agree to make available any other insurance which the additional insured has for a loss we cover under this Coverage Part.
- d. We have no duty to defend or indemnify an additional insured under this endorsement until we receive written notice of a "suit" by the additional insured.

2. The limits of insurance applicable to the additional insured are those specified in a written contract or written agreement or the limits of insurance as stated in the Declarations of this policy and defined in **Section III - Limits of Insurance** of this policy, whichever are less. These limits are inclusive of and not in addition to the limits of insurance available under this policy.

**J. WHO IS AN INSURED - INCIDENTAL MEDICAL ERRORS / MALPRACTICE
WHO IS AN INSURED - FELLOW EMPLOYEE EXTENSION - MANAGEMENT EMPLOYEES**

Paragraph 2.a.(1) of **Section II - Who Is An Insured** is replaced with the following:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1) (a)** above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1) (a)** or **(b)** above; or
- (d) Arising out of his or her providing or failing to provide professional health care services. However, if you are not in the business of providing professional health care services or providing professional health care personnel to others, or if coverage for providing professional health care services is not otherwise excluded by separate endorsement, this provision (Paragraph **(d)**) does not apply.

Paragraphs **(a)** and **(b)** above do not apply to "bodily injury" or "personal and advertising injury" caused by an "employee" who is acting in a supervisory capacity for you. Supervisory capacity as used herein means the "employee's" job responsibilities assigned by you, includes the direct supervision of other "employees" of yours. However, none of these "employees" are insureds for "bodily injury" or "personal and

advertising injury" arising out of their willful conduct, which is defined as the purposeful or willful intent to cause "bodily injury" or "personal and advertising injury", or caused in whole or in part by their intoxication by liquor or controlled substances.

The coverage provided by provision J. is excess over any other valid and collectable insurance available to your "employee".

K. NEWLY FORMED OR ADDITIONALLY ACQUIRED ENTITIES

Paragraph 3. of **Section II - Who Is An Insured** is replaced by the following:

3. Any organization you newly acquire or form and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the expiration of the policy period in which the entity was acquired or formed by you;
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
 - d. Records and descriptions of operations must be maintained by the first Named Insured.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations or qualifies as an insured under this provision.

L. FAILURE TO DISCLOSE HAZARDS AND PRIOR OCCURRENCES

Under **Section IV - Commercial General Liability Conditions**, the following is added to Condition 6. **Representations**:

Your failure to disclose all hazards or prior "occurrences" existing as of the inception date of the policy shall not prejudice the coverage afforded by this policy provided such failure to disclose all hazards or prior "occurrences" is not intentional.

M. KNOWLEDGE OF OCCURRENCE, OFFENSE, CLAIM OR SUIT

Under **Section IV - Commercial General Liability Conditions**, the following is added to Condition 2. **Duties In The Event of Occurrence, Offense, Claim Or Suit**:

Knowledge of an "occurrence", offense, claim or "suit" by an agent, servant or "employee" of any insured shall not in itself constitute knowledge of the insured unless an insured listed under Paragraph 1. of **Section II - Who Is An Insured** or a person who has been designated by them to receive reports of "occurrences", offenses, claims or "suits" shall have received such notice from the agent, servant or "employee".

N. LIBERALIZATION CLAUSE

If we revise this Commercial General Liability Extension Endorsement to provide more coverage without additional premium charge, your policy will automatically provide the coverage as of the day the revision is effective in your state.

O. BODILY INJURY REDEFINED

Under **Section V - Definitions**, Definition 3. is replaced by the following:

3. "Bodily Injury" means physical injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death that results from such physical injury, sickness or disease.

P. EXTENDED PROPERTY DAMAGE

Exclusion a. of **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is replaced by the following:

a. Expected Or Intended Injury

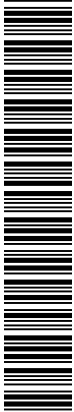
"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

Q. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - WHEN REQUIRED IN A CONTRACT OR AGREEMENT WITH YOU

Under **Section IV - Commercial General Liability Conditions**, the following is added to Condition **8. Transfer Of Rights Of Recovery Against Others To Us**:

We waive any right of recovery we may have against a person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard" provided:

1. You and that person or organization have agreed in writing in a contract or agreement that you waive such rights against that person or organization; and
2. The injury or damage occurs subsequent to the execution of the written contract or written agreement.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MEDICAL EXPENSE AT YOUR REQUEST ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to **Section I - Coverage C - Medical Payments**:

If **Medical Payments** or **Medical Expenses** are not otherwise excluded from the policy, medical expenses will be paid only if an insured has requested that we pay such expenses.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - ASBESTOS LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS AND COMPLETED OPERATIONS COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising, in whole or in part, either directly or indirectly out of the manufacture, storage, processing, mining, use, sale, installation, removal, disposal, distribution, handling, inhalation, ingestion, absorption, or existence of, exposure to or contact with asbestos, asbestos contained in goods, products or materials, asbestos fibers or asbestos dust; or
2. Any loss, cost or expense arising out of any:
 - a. Request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of asbestos, asbestos contained in goods, products or materials, asbestos fibers or asbestos dust; or
 - b. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of asbestos, asbestos contained in goods, products or materials, asbestos fibers or asbestos dust.

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COMMON POLICY CONDITIONS

1. **Assignment** -- This policy may not be assigned without "our" written consent.
2. **Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy, or one or more of its parts, by written notice sent to "you" at "your" last mailing address known to "us". If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least ten days before the cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days in advance of cancellation. The notice will state the time that the cancellation is to take effect.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.
3. **Change, Modification, or Waiver of Policy Terms** - - A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.
4. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations at any time. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.
5. **Examination of Books and Records** -- "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.

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--PLEASE READ THIS CAREFULLY--

AMENDATORY ENDORSEMENT TENNESSEE

1. Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

Cancellation or Nonrenewal -- "You" may cancel this policy by returning the policy to "us" or by giving "us" a written notice and stating at what future date coverage is to stop.

"We" may cancel or not renew this policy, or one or more of its parts, by written notice mailed or delivered to "you" and "your" agent at the addresses shown in the policy. The notice will state the reason for cancellation or nonrenewal and the time that the cancellation is to take effect. Proof of mailing will be sufficient proof of notice.

If this policy has been in effect less than 60 days, "we" may cancel for any reason.

If this policy has been in effect 60 days or more, or if it is a renewal of a policy issued by "us", "we" may cancel this policy only on its annual anniversary date unless one or more of the following reasons apply:

- a. nonpayment of premium, including nonpayment of any additional premiums, calculated in accordance with "our" current rating manual, justified by a physical change in the insured property or a change in its occupancy or use;
- b. "your" conviction of a crime having as one of its necessary elements an act increasing any hazard insured against;
- c. discovery of fraud or material misrepresentation on the part of either of the following:
 - 1) "you" or "your" representative in obtaining the insurance; or

- 2) "you" in pursuing a claim under the policy;

- d. failure to comply with written loss control recommendations;
- e. material change in the risk which increases the risk of loss after insurance coverage has been issued or renewed;
- f. determination by the Commissioner that the continuation of the policy would jeopardize "our" solvency or would place "us" in violation of the insurance laws of this state or any other state;
- g. "your" violation or breach of any policy "terms" or conditions; or
- h. such other reasons that are approved by the Commissioner.

If "we" cancel this policy, "we" will give "you" and "your" agent notice at least ten days before cancellation is effective.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

If "we" decide not to renew this policy, "we" will give "you" and "your" agent notice at least 60 days before the expiration date of the policy.

Notice of nonrenewal is not required if "we" have offered to issue a renewal policy, or "you" have obtained replacement coverage or have agreed in writing to obtain replacement coverage.

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2. Under Common Policy Conditions, the following condition is added:

Renewal -- If "we" decide to renew this policy subject to:

- a. an increase in premium rates or factors in excess of 25%; or

- b. reduction of "limits" or elimination of coverages;

"we" will give notice stating the new "terms" at least 60 days prior to the expiration date. "Our" notice will be mailed or delivered to "you" at the address on the policy, and to "your" agent.

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-- PLEASE READ THIS CAREFULLY --

CERTIFIED TERRORISM LOSS

1. The following definitions are added.
 - a. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States:
 - 1) to be an act of terrorism;
 - 2) to be a violent act or an act that is dangerous to human life, property, or infrastructure;
 - 3) to have resulted in damage:
 - a) within the United States; or
 - b) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission;
 - 4) to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion; and
 - 5) to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.
 - b. "Certified terrorism loss" means loss that results from a "certified act of terrorism".
2. The "terms" of any terrorism exclusion that is part of or that is attached to this Coverage Part are amended by the following provision:

This exclusion does not apply to "certified terrorism loss".
3. The following provision is added.

If the Secretary of the Treasury determines that the aggregate amount of "certified terrorism loss" has exceeded one hundred billion dollars in a calendar year (January 1 through December 31), and "we" have met "our" insurer deductible under the Terrorism Risk Insurance Act, as amended, "we" will not pay for any portion of "certified terrorism loss" that exceeds one hundred billion dollars. If the "certified terrorism loss" exceeds one hundred billion dollars in a calendar year (January 1 through December 31), losses up to one hundred billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.
4. The following provisions are added.
 - a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to this Coverage Part provide coverage for any loss that would otherwise be excluded by this Coverage Part under:
 - 1) exclusions that address war, military action, or nuclear hazard; or
 - 2) any other exclusion; and
 - b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by this Coverage Part under:
 - 1) exclusions that address war, military action, or nuclear hazard; or
 - 2) any other exclusion.

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-- PLEASE READ THIS CAREFULLY --

VIRUS OR BACTERIA EXCLUSION

DEFINITIONS

Definitions Amended --

When "fungus" is a defined "term", the definition of "fungus" is amended to delete reference to a bacterium.

When "fungus or related perils" is a defined "term", the definition of "fungus or related perils" is amended to delete reference to a bacterium.

PERILS EXCLUDED

The additional exclusion set forth below applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements that are provided by the policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property, earnings, extra expense, or interruption by civil authority.

1. The following exclusion is added under Perils Excluded, item 1.:

Virus or Bacteria --

"We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

This exclusion applies to, but is not limited to, any loss, cost, or expense as a result of:

- a. any contamination by any virus, bacterium, or other microorganism; or
- b. any denial of access to property because of any virus, bacterium, or other microorganism.

2. **Superseded Exclusions** -- The Virus or Bacteria exclusion set forth by this endorsement supersedes the "terms" of any other exclusions referring to "pollutants" or to contamination with respect to any loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

OTHER CONDITIONS

Other Terms Remain in Effect --

The "terms" of this endorsement, whether or not applicable to any loss, cost, or expense, cannot be construed to provide coverage for a loss, cost, or expense that would otherwise be excluded under the policy to which this endorsement is attached.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H. Definitions.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.** Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property

consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;

- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or

q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops;
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;

(c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;

(d) Remove property of others of a type that would not be Covered Property under this Coverage Form;

(e) Remove deposits of mud or earth from the grounds of the described premises;

(f) Extract "pollutants" from land or water; or

(g) Remove, restore or replace polluted land or water.

(3) Subject to the exceptions in Paragraph (4), the following provisions apply:

(a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

(b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.

(4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

Example 1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 - \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

Example 2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 - \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.
- (3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.

- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
 - (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:
- (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced at the same or another premises; and
 - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
 - (a) If the Causes of Loss - Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.

- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:
 - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to your cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes of Loss - Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes of Loss - Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;

- (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
- (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

f. Non-owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
- (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

g. Business Personal Property Temporarily In Portable Storage Units

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
- (a) Will end 90 days after the business personal property has been placed in the storage unit;
 - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance - Building 1:	\$ 60,000
Limit of Insurance - Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$60,100	
- 250	
\$59,850	Loss Payable - Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable: \$59,850 + \$80,000 = \$139,850

Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable - Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable - Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
- (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- (1) We have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:

- (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
 - (i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
 - (ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:
 - (a) Vandalism;
 - (b) Sprinkler leakage, unless you have protected the system against freezing;
 - (c) Building glass breakage;
 - (d) Water damage;
 - (e) Theft; or
 - (f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d. and e. below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
 - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

- (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example 1 (Underinsurance)

When: The value of the property is: \$ 250,000
 The Coinsurance percentage for it is: 80%
 The Limit of Insurance for it is: \$ 100,000
 The Deductible is: \$ 250
 The amount of loss is: \$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
 (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example 2 (Adequate Insurance)

When: The value of the property is: \$ 250,000
 The Coinsurance percentage for it is: 80%
 The Limit of Insurance for it is: \$ 200,000
 The Deductible is: \$ 250
 The amount of loss is: \$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this example is adequate, and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example 3

When: The value of property is:
 Building at Location 1: \$ 75,000
 Building at Location 2: \$ 100,000
 Personal Property at Location 2: \$ 75,000
 \$ 250,000

The Coinsurance percentage for it is: 90%
 The Limit of Insurance for Buildings and Personal Property at Location 1 and 2 is: \$ 180,000
 The Deductible is: \$ 1,000
 The amount of loss is:
 Building at Location 2: \$ 30,000
 Personal Property at Location 2: \$ 20,000
 \$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$.

Step (4): $\$40,000 - \$1,000 = \$39,000$.

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example

If: The applicable Limit of Insurance is: \$ 100,000
 The annual percentage increase is: 8%
 The number of days since the beginning of the policy year (or last policy change) is: 146
 The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 = \$ 3,200$

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.

2. The coverage territory is:
- a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to se-

cure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- 1. Prior to a loss to your Covered Property or Covered Income.
- 2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 2. Additional Coverage - Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

CAUSES OF LOSS - SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G. Definitions**.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

h. "Fungus", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions B.1.a. through B.1.h. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
 - (1) Electrical or electronic wire, device, appliance, system or network; or

- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, **k.**, does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage, Collapse; or
- (b) To collapse caused by one or more of the following:
 - (i) The "specified causes of loss";
 - (ii) Breakage of building glass;

(iii) Weight of rain that collects on a roof; or

(iv) Weight of people or personal property.

- I. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, I., does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or

- (4) Maintenance;

of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:

- (a) Damage or destruction of "finished stock"; or
- (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

- (3) Any increase of loss caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (5) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:

- (a) Your cancelling the lease;
- (b) The suspension, lapse or cancellation of any license; or
- (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:

- (a) Paragraph B.1.a. Ordinance Or Law;
- (b) Paragraph B.1.c. Governmental Action;
- (c) Paragraph B.1.d. Nuclear Hazard;
- (d) Paragraph B.1.e. Utility Services; and
- (e) Paragraph B.1.f. War And Military Action.

- (2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and

- (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

- 1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.
However, this limitation does not apply to:
 - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) Changes in or extremes of temperature;
 - (3) Disease;

- (4) Frost or hail; or
 - (5) Rain, snow, ice or sleet.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
 - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.
However, this limitation does not apply:
 - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
 - (2) To Business Income Coverage or to Extra Expense Coverage.
 3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):
 - a. \$2,500 for furs, fur garments and garments trimmed with fur.
 - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$2,500 for patterns, dies, molds and forms.
 - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire- extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage - Collapse

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
 - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.

- d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

- (1) A cause of loss listed in **2.a.** or **2.b.**;
- (2) One or more of the "specified causes of loss";
- (3) Breakage of building glass;
- (4) Weight of people or personal property; or
- (5) Weight of rain that collects on a roof.

3. This **Additional Coverage - Collapse** does **not** apply to:

- a. A building or any part of a building that is in danger of falling down or caving in;
- b. A part of a building that is standing, even if it has separated from another part of the building; or
- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- b. Awnings, gutters and downspouts;
- c. Yard fixtures;
- d. Outdoor swimming pools;
- e. Fences;
- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and

(2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in **D.1.** through **D.7.**

E. Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:
- a. A "specified cause of loss" other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
 - a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Co-insurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension **F.3.** does not increase the Limit of Insurance.

G. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means:

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

POLICY NUMBER:

COMMERCIAL PROPERTY
CP 12 18 10 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDERS' RISK COVERAGE FORM
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Location Number:	Building Number:	Applicable Clause C.1. (Enter C.1., C.2., C.3. or C.4.):
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2579 N 9th Ave Bldg 2

Humboldt

TN

38343-1717

Description of Property:

Misc Property

Loss Payee Name:

FARMERS AND MERCHANTS BANK

Loss Payee Address:

388 HWY 45 WEST

HUMBOLDT, TN 38343

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A. When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B. Nothing in this endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.
- C. The following is added to the **Loss Payment** Loss Condition, as indicated in the Declarations or in the Schedule:

1. Loss Payable Clause

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

- a. Adjust losses with you; and
- b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

2. Lender's Loss Payable Clause

- a. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- (1) Warehouse receipts;
- (2) A contract for deed;
- (3) Bills of lading;
- (4) Financing statements; or
- (5) Mortgages, deeds of trust, or security agreements.

- b. For Covered Property in which both you and a Loss Payee have an insurable interest:

- (1) We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- (2) The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

- (3) If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (a) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (b) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (c) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- (4) If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (a) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (b) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

- c. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

d. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

3. Contract Of Sale Clause

a. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered into a contract with for the sale of Covered Property.

b. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:

(1) Adjust losses with you; and

(2) Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

c. The following is added to the **Other Insurance** Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

4. Building Owner Loss Payable Clause

a. The Loss Payee shown in the Schedule or in the Declarations is the owner of the described building in which you are a tenant.

b. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.

c. We will adjust losses to tenants' improvements and betterments with you, unless the lease provides otherwise.

POLICY NUMBER:

COMMERCIAL PROPERTY
CP 12 18 10 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDERS' RISK COVERAGE FORM
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Location Number:

Building Number:

Applicable Clause C.1.

(Enter C.1., C.2., C.3. or C.4.):

2579 N 9th Ave Bldg 1

Humboldt

TN

38343-1717

Description of Property:

Misc Property

Loss Payee Name:

FARMERS AND MERCHANTS BANK

Loss Payee Address:

388 HWY 45 WEST

HUMBOLDT, TN 38343

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A. When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B. Nothing in this endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.
- C. The following is added to the **Loss Payment** Loss Condition, as indicated in the Declarations or in the Schedule:

1. Loss Payable Clause

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

- a. Adjust losses with you; and
- b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

2. Lender's Loss Payable Clause

- a. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- (1) Warehouse receipts;
- (2) A contract for deed;
- (3) Bills of lading;
- (4) Financing statements; or
- (5) Mortgages, deeds of trust, or security agreements.

- b. For Covered Property in which both you and a Loss Payee have an insurable interest:

- (1) We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- (2) The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

- (3) If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (a) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (b) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (c) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- (4) If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (a) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (b) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

- c. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

d. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

3. Contract Of Sale Clause

a. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered into a contract with for the sale of Covered Property.

b. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:

(1) Adjust losses with you; and

(2) Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

c. The following is added to the **Other Insurance** Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

4. Building Owner Loss Payable Clause

a. The Loss Payee shown in the Schedule or in the Declarations is the owner of the described building in which you are a tenant.

b. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.

c. We will adjust losses to tenants' improvements and betterments with you, unless the lease provides otherwise.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REMOVAL PERMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

If Covered Property is removed to a new location that is added by endorsement to the policy subsequent to its original issue, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of the endorsement adding the new location; after that, this insurance does not apply at the previous location.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ROOF SURFACING COSMETIC LOSS EXCLUSION

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM
 BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 STANDARD PROPERTY POLICY

SCHEDULE

Premises Number

Building Number

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

We will not pay for "cosmetic loss or damage" to any "roof surface" caused by wind and/or hail. For the purpose of this endorsement, "cosmetic loss or damage" means marring, pitting or other superficial damage caused by wind/and or hail that alters the physical appearance, but does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the "cosmetic loss or damage" occurred.

"Roof surface" refers to the shingles, tiles, flashing, cladding, metal or synthetic sheeting or any other materials used for the roof, including all materials applied to or under the roof for protection or insulation from moisture or the elements.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY EXTENSION PLUS FOR CONSTRUCTION

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

The following is a summary of increased limits of insurance and additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy which means that it is subject to all limitations and conditions applicable to this Coverage Part, Coverage Form and Causes Of Loss - Special Form unless specifically deleted, replaced, or modified herein. Except as otherwise stated herein, this endorsement is applicable only to those locations described in the Declarations.

Coverage for loss of Business Income or Extra Expense, whether provided by this endorsement or elsewhere, does not apply if a loss is covered only as a result of this endorsement.

If loss or damage is covered elsewhere in this policy and under this endorsement, the amount payable under this endorsement will apply excess over that payable elsewhere in this policy unless otherwise stated. We will not pay more than the actual amount of the covered loss or damage.

<u>Coverage Description</u>	<u>Limit Of Insurance</u>
Special Deductible Provision	Included
Broadened Premises	Included
Additional Covered Property	Included
Real Property Of Others Required By Contract	\$ 50,000 in any one occurrence
Debris Removal	\$ 50,000 in any one occurrence
Preservation Of Property	90 days
Fire Department Service Charge <i>(Not Applicable in Arizona)</i>	\$ 25,000 for service in any one occurrence
Pollutant Clean-up And Removal	\$ 25,000 in each separate 12-month period of this policy
Electronic Data	\$ 15,000 in any one policy year
Arson Or Theft Reward	\$ 25,000 in any one occurrence, regardless of the number of persons providing information
Employee Dishonesty	\$ 50,000 in any one "occurrence"
Leasehold Interest	\$ 25,000 in any one occurrence
Contract Penalty Clause	\$ 5,000 in any one occurrence
Money Orders And Counterfeit Money	\$ 2,500 in any one occurrence
Forgery Or Alteration	\$ 25,000 in any one occurrence
Lost Key Coverage	\$ 10,000 in any one occurrence
Newly Acquired Or Constructed Property	180 days
Buildings	\$ 1,000,000 at any one location
Business Personal Property	\$ 250,000 at any one location
Personal Effects And Property Of Others	\$ 25,000 in any one occurrence
Valuable Papers And Records (Other Than Electronic Data)	\$ 100,000 in any one occurrence
Property Off-premises	\$ 50,000 in any one occurrence
Electronic Data in Transit	\$ 5,000 in any one policy year
Outdoor Property	\$ 25,000 in any one occurrence
Accounts Receivable	
At Locations Described in the Declarations	\$ 100,000 in any one occurrence
Away From Locations Described in the Declarations	\$ 25,000 in any one occurrence
Fine Arts	\$ 25,000 in any one occurrence

<u>Coverage Description</u>	<u>Limit Of Insurance</u>
Fire Protective Equipment	\$ 25,000 in each separate 12-month policy period
Computer Equipment (Including Laptop/Portable Computers)	\$ 30,000 in any one occurrence
Computer Equipment Extra Expense	\$ 7,500 in any one occurrence
Lock Replacement	\$ 2,500 in any one occurrence
Money and Securities	
Inside the Premises	\$ 25,000 in any one "occurrence"
Outside the Premises	\$ 10,000 in any one "occurrence"
Utility Services Interruption - Direct Damage	\$ 25,000 in any one occurrence
Consequential Loss	\$ 25,000 in any one occurrence
Business Income And Extra Expense	\$ 50,000 in any one occurrence
Extended Business Income	60 days
Business Income - Newly Acquired Locations	60 days
Utility Services Interruption - Business Income	\$ 25,000 in any one occurrence
Loss Adjustment Expenses	\$ 10,000 in any one occurrence
Salespersons Samples	\$ 5,000 for each salesperson, in any one occurrence
Employees' Tools	\$ 10,000 in any one occurrence; \$ 1,000 maximum any one tool
Business Personal Property Limit Seasonal Increase	25% up to \$250,000 in any one occurrence
Appurtenant Structures	
Buildings	\$ 50,000 in any one occurrence
Business Personal Property	\$ 5,000 in any one occurrence
Consequential Loss To Pair Or Set	Included in Business Personal Property Limit
Equipment Leased Or Rented From Others	\$ 25,000 in any one occurrence
Installation Coverage	\$ 25,000 in any one occurrence
Small Tools	\$ 10,000 in any one occurrence; \$ 1,000 maximum any one tool
Signs (Outdoor)	\$ 25,000 per sign in any one occurrence
Special Valuation Provision	\$ 5,000
Waiver of Coinsurance on Losses \$10,000 or Less	Included
Ordinance Or Law	
Undamaged Portion Of Building	Included in the Building Limit
Demolition Cost & Increased Cost Of Construction	\$ 200,000 Combined at any one location
Property In Transit	\$ 25,000 in any one occurrence
Back-up Of Sewers Or Drains	\$ 25,000 in any one occurrence
Water Seepage	\$ 10,000 in any one policy year
Inflation Guard-Building	3%

- A. The following is added to Section **D. Deductible**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

Special Deductible Provision

From any loss or damage covered under this endorsement, we will deduct the amount of the Deductible shown in the Declarations that applies to the peril of fire unless otherwise stated in this endorsement. In the event there is more than one different deductible on the policy applying to fire, the smallest such deductible will apply. The deductible shall apply separately to each occurrence.

- B. The following changes apply to Section **A. Coverage** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

1. Broadened Premises

References to **100 feet** in Paragraph **A.1.a.(5)(b), Building**; Paragraph **A.1.b., Your Business Personal Property**; Paragraph **A.1.c.(2), Personal Property Of Others**; and Paragraph **A.5., Coverage Extensions** are deleted and replaced by **1,000 feet**.

2. Additional Covered Property

The following are added to item **a. Building** of Paragraph **A.1. Covered Property**:

- (6) Bridges not exceeding 30 feet in length, roadways, walks, patios or other paved surfaces;
- (7) Retaining walls (except retaining walls two feet or higher used to contain water or protect against wave action or storm surges) that are not part of a building;
- (8) Fences;
- (9) Foundations of buildings.

Additional Condition **F.1. Coinsurance** does not apply to bridges which qualify as Additional Covered Property under this endorsement.

Item **d., g., i. and q.(2)** of Paragraph **A.2 Property Not Covered** are deleted and replaced with the following:

- d.** Bridges exceeding 30 feet in length;
- g.** Foundations of structures other than buildings, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- i.** Retaining walls two feet or higher used to contain water or protect against wave action or storm surges;
- q. (2)** Radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are a part of a vegetated roof), all except as provided in the Coverage Extensions.

3. Real Property Of Others Required By Contract

The following is added to item **b. Your Business Personal Property** of Paragraph **A.1. Covered Property**:

- (8) Real Property including but not limited to building, doors and windows you are responsible for due to contract or lease agreement.

The most we will pay for loss or damage to covered property in any one occurrence is \$50,000.

4. Debris Removal

The limit of insurance in item **a.(4) Debris Removal** of Paragraph **A.4. Additional Coverages** is amended from \$25,000 for each location, in any one occurrence to \$50,000 in any one occurrence. This extension does not apply if a higher limit is shown in the DEBRIS REMOVAL ADDITIONAL INSURANCE endorsement or the Declarations for any location(s).

5. Preservation Of Property

The 30-day limitation in item **b.(2) Preservation Of Property** of Paragraph **A.4. Additional Coverages** is increased to 90 days.

6. Fire Department Service Charge (Not Applicable in Arizona)

The limit of insurance in item **c. Fire Department Service Charge** of Paragraph **A.4. Additional Coverages** is amended from \$1,000 for service at each premises described in the Declarations to \$25,000 for service in any one occurrence. This extension does not apply if a higher limit is shown in the HIGHER LIMITS endorsement or the Declarations.

7. Pollutant Clean-up And Removal

The limit of insurance in item **d. Pollutant Clean-up And Removal** of Paragraph **A.4. Additional Coverages** is increased from \$10,000 to \$25,000 during each separate 12-month period of the policy. This extension does not apply if a higher limit is shown in the POLLUTANT CLEAN UP AND REMOVAL ADDITIONAL AGGREGATE LIMIT OF INSURANCE endorsement or the Declarations for any location(s).

8. Electronic Data

The limit of insurance in item **f.(4) Electronic Data** of Paragraph **A.4. Additional Coverages** is increased from \$2,500 to \$15,000 in any one policy year. This extension does not apply if a higher limit is shown in the HIGHER LIMITS endorsement or the Declarations.

9. The following are added to Paragraph A.4 Additional Coverages:

g. Arson Or Theft Reward

We will pay on behalf of the insured up to \$25,000 in any one occurrence for information which leads to an arson conviction or theft conviction in connection with a fire loss or theft loss covered under the BUILDING AND PERSONAL PROPERTY COVERAGE FORM. Regardless of the number of persons involved in providing information, our liability under this Additional Coverage will not be increased.

No deductible applies to this Additional Coverage.

h. Employee Dishonesty

(1) We will pay for direct loss of or damage to business personal property, including "money" and "securities", resulting from dishonest acts committed by any of your "employees" acting alone, or in collusion with other persons (except you or your partner) with the manifest intent to:

- (a) Cause you to sustain loss or damage; and
- (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - 1. Any "employee"; or
 - 2. Any other person or organization.

(2) We will not pay for loss or damage:

- (a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons; or
- (b) The only proof of which as to its existence or amount is dependent upon:
 - 1. An inventory computation; or
 - 2. A profit and loss computation.

(3) The most we will pay for loss or damage in any one "occurrence" is \$50,000.

(4) As respects this Additional Coverage, all loss or damage:

- (a) Caused by one or more persons; or
- (b) Involving a single act or series of related acts; is considered one "occurrence".

(5) If any loss is covered:

- (a) Partly by this insurance; and
- (b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger amount recoverable under this insurance or the prior insurance.

(6) We will pay for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

(7) This Additional Coverage does not apply to the dishonest act of any "employee" that occurs after the discovery by:

- (a) You; or

- (b) Any of your partners, officers, directors or trustees not in collusion with the "employee";
- of any dishonest act committed by that "employee" whether before or after becoming employed by you.
- (8) We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- (9) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
- (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
- (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (10) The insurance under paragraph (9) above is part of, not in addition to, the limit of insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
- (a) This Additional Coverage as of its effective date; or
- (b) The prior insurance had it remained in effect.

Coverage provided under this Additional Coverage is subject to a Deductible equal to the Property Deductible shown in the Declarations.

"Employee" means:

- (a) Any natural person:
- (1) While in your service and for 30 days after termination of service; and
- (2) Whom you compensate directly by salary, wages or commissions; and
- (3) Whom you have the right to direct and control while performing services for you; or
- (b) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises.

But "employee" does not mean any:

- (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

"Occurrence" means all loss caused by or involving, one or more "employees," whether the result of a single act or series of acts.

"Money" means:

- (a) Currency, coins and bank notes in current use and having a face value; and
- (b) Travelers checks, register checks and money orders held for sale to the public.

"Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

(b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

i. Leasehold Interest

We will pay for loss of "tenants lease interest" you sustain due to the cancellation of your lease. The cancellation must result from direct physical loss or damage at a location described in the Declarations due to a Covered Cause of Loss.

"Tenants lease interest" means the difference between the rent you will pay under a new lease at the described location or elsewhere, and the rent you pay now.

The most we will pay for such loss in any one occurrence is the least of:

(a) The total difference in the rent based on the period of time remaining under your current lease;

(b) The total difference in rent for one year; or

(c) \$25,000.

j. Contract Penalty Clause

We will pay the contract penalties you are required to pay to your customers as a result of any written clause in your contract for failure to timely deliver your product or service according to contract terms, provided the contract was executed prior to the loss or damage. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to covered property.

The most we will pay for penalties for all contracts in any one occurrence is \$5,000.

k. Money Orders And Counterfeit Money

We will pay for your loss when you accept in good faith:

(1) Any money order in exchange for goods or services if the money order is not paid when presented to the issuer; or

(2) Counterfeit U.S. or Canadian paper money in the regular course of business.

The most we will pay under this Additional Coverage is \$2,500 in any one occurrence.

l. Forgery Or Alteration

(1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent. We will pay for loss you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

(2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.

(3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.

(4) We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, employees, managers, members, officers, directors or trustees whether acting alone or in collusion with others.

(5) The most we will pay for all loss in any one occurrence, including legal expenses, under this Additional Coverage is \$25,000.

"Money" means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, register checks and money orders held for sale to the public.

m. Lost Key Coverage

We will pay for consequential loss to keys and locks if a master key or grand master key is lost or damaged resulting from a Covered Cause of Loss. We will pay for the actual cost to replace keys, adjustment of locks to accept new keys, or if required, new locks, including the cost of their installation.

The most we will pay for loss or damage under this coverage is \$10,000 in any one occurrence.

10. Newly Acquired Or Constructed Property

The limit of insurance in item **a.(1) Newly Acquired Or Constructed Property - Buildings** of Paragraph **A.5. Coverage Extensions** is amended from \$250,000 at each building to \$1,000,000 at any one location.

The limit of insurance in item **a.(2) Newly Acquired Or Constructed Property - Your Business Personal Property** of Paragraph **A.5. Coverage Extensions** is amended from \$100,000 at each building to \$250,000 at any one location.

The number of days in item **a.(3)(b) Newly Acquired Or Constructed Property - Period Of Coverage** of Paragraph **A.5. Coverage Extensions** is increased from 30 to 180 days.

11. Personal Effects And Property Of Others

The last paragraph of item **b. Personal Effects And Property of Others** of Paragraph **A.5. Coverage Extensions** is deleted and replaced by the following:

The most we will pay for loss or damage under this Extension in any one occurrence is \$25,000. Our payment for loss of or damage to personal property of others (including property of others held by you on consignment) will only be for the account of the owner of the property.

12. Valuable Papers And Records (Other Than Electronic Data)

The limit of insurance in item **c.(4) Valuable Papers And Records (Other Than Electronic Data)** of Paragraph **A.5. Coverage Extensions** is amended from \$2,500 at each described premises to \$100,000 in any one occurrence. This extension does not apply if a higher limit is shown in the HIGHER LIMITS endorsement or the Declarations.

13. Property Off-premises

The limit of insurance in item **d.(3) Property Off-premises** of Paragraph **A.5. Coverage Extensions** is amended from \$10,000 at any one location to \$50,000 in any one occurrence.

There is no coverage under this Extension for fine arts.

The following is added to item **d. Property Off-premises** of Paragraph **A.5. Coverage Extensions**:

- (4) Coverage under this Extension is extended to cover electronic data in transit. Under this Extension, electronic data has the meaning described in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM under Property Not Covered - Electronic Data. The most we will pay for loss or damage to electronic data under this Extension is \$5,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or number of computer systems involved. This \$5,000 limit is part of and not in addition to the \$15,000 limit in Paragraph **A.4.f.(4) Electronic Data** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

14. Outdoor Property

Item **e. Outdoor Property** of Paragraph **A.5. Coverage Extensions** is deleted and replaced by the following:

You may extend the insurance provided by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to your outdoor lighting, lighting standards, radio and television antennas, satellite dishes, playground equipment, scoreboards, trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the Covered Causes of Loss.

The most we will pay for loss or damage under this Extension is \$25,000, but not more than \$500 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or numbers of items lost or damaged in that occurrence.

15. The following are added to Paragraph **A.5. Coverage Extensions:**

h. Accounts Receivable

We will pay:

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from a Covered Cause of Loss to your records of accounts receivable.

The most we will pay for loss in any one occurrence under this Extension is:

- (1) \$100,000 for locations described in the Declarations, and
- (2) \$25,000 while away from locations described in the Declarations.

No deductible applies to this Extension.

i. Fine Arts

You may extend the insurance that applies to Your Business Personal Property to apply to your fine arts and fine arts owned by others that are in your care, custody or control.

This Extension does not apply to loss or damage caused by or resulting from:

- (1) Any repairing, restoration or retouching process;
- (2) Insects, birds, rodents or other animals;
- (3) Wear and tear;
- (4) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in the property that causes it to damage or destroy itself;
- (5) Breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains and similar fragile articles. But we will pay for loss or damage caused directly by fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, explosion, vandalism, or by accident to the vehicle carrying the property.

The most we will pay for loss or damage in any one occurrence under this Extension is \$25,000. This Extension also applies to fine arts while in transit or located away from the locations described in the Declarations.

j. Fire Protective Equipment

You may extend the insurance provided by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to your costs to:

- (1) Recharge or refill fire protective equipment; and
- (2) Clean up and remove the fire extinguishing agent, resulting from the discharge of a fire extinguishing agent from fire protective equipment.

The discharge must:

- (1) Be caused by a Covered Cause of Loss;
- (2) Result from the intended operation of the fire protective equipment to prevent or control a Covered Cause of Loss;
- (3) Be accidental; or
- (4) Result from a malfunction of the fire protective equipment.

We will not pay for damage:

- (1) If you fail to use reasonable care to maintain the fire protective equipment in proper operating condition; or
- (2) Caused by discharge at the time of servicing, refilling or testing of the fire protective equipment.

The most we will pay under this Extension is \$25,000 for each separate 12-month period of this policy.

k. Computer Equipment (refer to paragraph B.8. of this endorsement for Electronic Data coverage)

You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to "computer equipment" owned by you or similar property of others in your care, custody or control for which you are legally liable, caused by a Covered Cause of Loss.

You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to "laptop/portable computers" owned by you and in your care, custody and control or in the care, custody or control of your employee.

(1) Property Not Covered

We will not cover the following kinds of property under this Extension:

- (a) Property which you rent or lease to others;
- (b) Software or other electronic data;
- (c) Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, program documentation or other documents;
- (d) "Computer equipment" held for sale by you;
- (e) "Computer equipment" of others on which you are performing repairs or work;
- (f) "Computer equipment" that is part of any:
 - (i) Production or processing equipment (such as CAD, CAM or CNC machines);
 - (ii) Equipment used to maintain or service your building (such as heating, ventilating, cooling or alarm systems); or
 - (iii) Communication equipment (such as telephone systems);
- (g) Property that is covered under another coverage form of this or any other policy in which such property is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

(2) Property In Transit

We will pay for your "computer equipment", or "laptop/portable computer" while in transit.

(3) Loss Payment will be determined as follows:

"Computer equipment" or "laptop/portable computers"

We will pay the lesser of the following amounts:

- (i) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or
- (ii) The cost of replacing that property with identical property of comparable material and quality and used for the same purpose.

However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with similar property capable of performing the same functions.

If not repaired or replaced, the property will be valued at its actual cash value.

"Computer Equipment" means a network of electronic machine components capable of accepting information, processing it according to instructions and producing the results in a desired form.

"Laptop/Portable Computers" means "computer equipment" and accessories that are designed to function with it that can easily be carried and is designed to be used at more than one location.

The most we will pay under this Extension for loss or damage to "computer equipment" including "laptop/portable computers" in any one occurrence is \$30,000. This Extension also applies to "laptop/portable computers" which are away from the described locations.

I. Computer Equipment Extra Expense

We will pay the necessary operating expenses over and above your normal cost of operating your "computer equipment" that you incur due to direct physical loss of or damage to your "computer equipment" caused by or resulting from any Covered Cause of Loss. We will pay the necessary operating expenses from the date of loss until:

- (1) The equipment is repaired or replaced and normal operation resumes; or
- (2) The date when the property at the described locations should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (3) The limit of insurance applicable to this Extension is exhausted.

You must resume your normal business operations as soon as possible following any loss or damage.

"Computer equipment" means a network of electronic machine components capable of accepting information, processing it according to instructions and producing the results in a desired form.

The most we will pay in any one occurrence under this Extension is \$7,500.

m. Lock Replacement

You may extend the insurance provided by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to replacement of locks necessitated by theft of Covered Property or theft of keys from the locations described in the Declarations.

The most we will pay for loss under this Coverage Extension is \$2,500 in any one occurrence.

n. Money And Securities

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
 - (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

- (3) The most we will pay for loss in any one "occurrence" is:
 - (a) \$25,000 for Inside the Premises for "money" and "securities" while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution; and
 - (b) \$10,000 for Outside the Premises for "money" and "securities" while anywhere else.
- (4) As respects this Additional Coverage, all loss:
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts; is considered one "occurrence".
- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (6) "Money" means:
 - (a) Currency, coins and bank notes in current use and having a face value; and
 - (b) Travelers checks, register checks and money orders held for sale to the public.
- (7) "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
- (8) "Occurrence" means an:
 - (a) Act or series of related acts involving one or more persons; or
 - (b) Act or event, or a series of related acts or events not involving any person.

o. Utility Services Interruption - Direct Damage

You may extend the insurance provided by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to loss of or damage to Covered Property caused by an interruption in utility service to the described location. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the following property:

- (1) **Water Supply Property**, meaning the following types of property supplying water to the described location:
 - (a) Pumping stations; and
 - (b) Water mains.
- (2) **Communication Supply Property**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described location, such as:
 - (a) Communication transmission lines, including optic fiber transmission lines;
 - (b) Coaxial cables; and
 - (c) Microwave radio relays except satellites.

Coverage does not include above ground communication transmission lines.
- (3) **Power Supply Property**, meaning the following types of property supplying electricity, steam or gas to the described location:
 - (a) Utility generating plants;
 - (b) Switching stations;
 - (c) Substations;

- (d) Transformers; and
- (e) Transmission lines.

Coverage does not include above ground transmission lines.

This Extension does not apply to loss of or damage to property owned by you and used in your business or owned by others and in your care, custody or control, contained in any refrigeration or cooling apparatus or equipment, resulting from:

- (a) The fluctuation or total interruption of electrical power, either at or away from the described location, due to conditions beyond your control; or
- (b) Mechanical failure of any refrigeration or cooling apparatus or equipment.

As used in this Coverage Extension, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

The most we will pay in any one occurrence under this Extension is \$25,000.

p. Consequential Loss

We will pay up to \$25,000 in any one occurrence for the consequential loss of undamaged business personal property.

Consequential Loss, as described in this Coverage Extension, is the loss of value of an undamaged part or parts of a product which becomes unmarketable. It must be unmarketable due to a physical loss or damage caused by a Covered Cause of Loss to another part or parts of the same product.

Payments provided under this Coverage Extension are included within and do not increase the Business Personal Property Limit of Insurance shown in the Declarations.

q. Business Income And Extra Expense

Unless amended by endorsement elsewhere in this policy, "Period of Restoration" means the period of time as defined in this Coverage Extension.

Business Income

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration." The "suspension" must be caused by direct physical loss of or damage to your covered Building or Business Personal Property at locations which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to Business Personal Property in the open or in a vehicle, the described locations include the area within 1,000 feet of such locations.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your location means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 1,000 feet of the building, or within 1,000 feet of the location described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described location, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

The Coinsurance Additional Condition does not apply as respects this Coverage Extension.

Business Income means the:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred, including "Rental Value"; and
- (b) Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Extra Expense

We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to the property at the locations described in the Declarations, including Business Personal Property in the open or in a vehicle, within 1,000 feet of the locations, caused by or resulting from a Covered Cause of Loss.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your location means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 1,000 feet of the building, or within 1,000 feet of the location described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described location, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss. Coverage pertains to expenses which are incurred to:

- (a) Avoid or minimize the "suspension" of business and to continue "operations":
 - 1. At the described locations; or
 - 2. At replacement locations or at temporary locations, including:
 - (a) Relocation expenses; or
 - (b) Costs to equip and operate the replacement or temporary locations;
- (b) Minimize the "suspension" of business if you cannot continue "operations";
- (c) Repair or replace any property; or
- (d) Research, replace or restore the lost information on damaged valuable papers and records;

but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension.

Extended Business Income

(1) Business Income Other Than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 60 consecutive days after the date determined in (a) above.

However, this Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area of the described locations.

Loss of Business Income must be caused by direct physical loss or damage at the described locations caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a)** Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b)** Ends on the earlier of:
 - (i)** The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (ii)** 60 consecutive days after the date determined in **(2)(a)** above.

However, this Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area of the described locations.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described locations caused by or resulting from any Covered Cause of Loss.

Newly Acquired Locations

- (a)** You may extend the Business Income and Extra Expense Coverages provided by this Coverage Extension to apply to property at any location you acquire other than fairs or exhibitions.
- (b)** Insurance under this Coverage Extension for each newly acquired location will end when any of the following first occurs:
 - (i)** This policy expires;
 - (ii)** 60 days expire after you acquire or begin to construct the property; or
 - (iii)** You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The following definitions are added as respects this Coverage Extension:

- (1)** "Finished Stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale at the location of any retail outlet insured under this Coverage Part.
- (2)** "Operations" means the type of your business activities occurring at the described locations.
- (3)** Unless amended by endorsement elsewhere in this policy, "Period of Restoration" means the period of time that:
 - (a)** Begins:
 - (i)** 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (ii)** Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
caused by or resulting from a Covered Cause of Loss at the described locations; and
 - (b)** Ends on the earlier of:
 - (i)** The date when the property at the described locations should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (ii)** The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration."

- (4) "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- (5) "Rental Value" means Business Income that consists of:
 - (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the location described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described location which is occupied by you; and
 - (b) Continuing normal operating expenses incurred in connection with that location, including:
 - (i) Payroll; and
 - (ii) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
- (6) "Suspension" means:
 - (a) The slowdown or cessation of your business activities; or
 - (b) That a part or all of the described location is rendered untenable.

The most we will pay in any one occurrence under this Extension (including Extended Business Income and Newly Acquired Locations) for the sum of Business Income loss and Extra Expense incurred is \$50,000.

r. Utility Services Interruption - Business Income

We will pay up to \$25,000 in any one occurrence for the actual loss of Business Income you sustain at the described location due to the necessary "suspension" of your "operations" during the "period of restoration" caused by an interruption in utility service to the described location. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the following types of property:

- (1) **Water Supply Property**, meaning the following types of property supplying water to the described location:
 - (a) Pumping stations; and
 - (b) Water mains.
- (2) **Wastewater Removal Property**, meaning a utility system for removing wastewater and sewage from the described location, other than a system designed for draining storm water, including:
 - (a) Sewer mains; and
 - (b) Pumping stations and similar equipment for moving effluent to a holding, treatment or disposal facility and includes such facilities.

Coverage under this Extension does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

(3) **Communication Supply Property**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described location, such as:

- (a) Communication transmission lines, including optic fiber transmission lines;
- (b) Coaxial cables; and
- (c) Microwave radio relays except satellites.

Coverage does not include above ground communication transmission lines.

(4) **Power Supply Property**, meaning the following types of property supplying electricity, steam or gas to the described location:

- (a) Utility generating plants;
- (b) Switching stations;
- (c) Substations;
- (d) Transformers; and
- (e) Transmission lines.

Coverage does not include above ground transmission lines.

As used in this Extension, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

Coverage under this Extension does not apply to Business Income loss related to interruption in utility service which causes loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning described in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM under Property Not Covered - Electronic Data.

Business Income means the:

- (a) Net income (Net Profit or Loss before income taxes) that would have been earned or incurred, including "Rental Value"; and
- (b) Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Refer to the Business Income / Extra Expense Coverage Extension for the following definitions:

- (1) "Operations"
- (2) "Period of Restoration"
- (3) "Rental Value"
- (4) "Suspension"

s. Loss Adjustment Expenses

You may extend the insurance provided by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to your expenses for preparation of loss data, including inventories and appraisals, in connection with any claim covered under this policy. We will not pay for expenses incurred in using the services of a public adjuster or an attorney.

The most we will pay in any one occurrence under this Extension is \$10,000.

t. Salespersons Samples

You may extend the insurance that applies to Your Business Personal Property to apply to Salespersons' Samples of your stock in trade, including their containers, while they are in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

The most we will pay for loss to Salespersons Samples in any one occurrence is \$5,000 for property in the custody of any one salesperson.

u. Employees' Tools

You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage by a Covered Cause of Loss to tools owned by your employees while used in your business or when in your building.

However, we will not pay for a loss that is caused by or results from theft or attempted theft of employee tools unless such loss occurs:

- (1) At a building and there is visible evidence of forcible entry or exit on your building; or
- (2) From a locked vehicle and there is visible evidence of forcible entry.

The value of employee tools will be determined at actual cash value as of the time of loss or damage.

The most we will pay with respect to employee tools is \$10,000 in any one occurrence subject to a maximum of \$1,000 for any one tool.

v. Business Personal Property Limit Seasonal Increase

The limit of insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations. This increase will apply only if the limit of insurance shown for Business Personal Property in the Declarations is at least 90% of your average monthly value during the lesser of:

1. The 12-month period immediately preceding the date the loss or damage occurs; or
2. The period of time you have been in business as of the date of loss occurs.

The most we will pay under this extension is \$250,000 in any one occurrence. If the PEAK SEASON LIMIT OF INSURANCE endorsement is attached to and made a part of this policy, the provisions of this Coverage Extension are superseded with respect to any location and peak season period to which the aforementioned coverage applies.

w. Appurtenant Structures

If not otherwise covered by this policy, you may extend the insurance that applies to Building to apply to your storage buildings, your garages and your other appurtenant structures, except outdoor fixtures, at the locations described in the Declarations. The most we will pay in any one occurrence for such loss or damage under this Extension is \$50,000.

If not otherwise covered by this policy you may extend the insurance that applies to Your Business Personal Property to apply to such property in your storage buildings, your garages and your other appurtenant structures at the locations described in the Declarations. The most we will pay in any one occurrence for such loss or damage under this Extension is \$5,000.

x. Consequential Loss To Pair Or Set

You may extend the insurance that applies to Your Business Personal Property to include the loss of value to undamaged Business Personal Property that is a pair or set, due to loss or damage to Covered Property, caused by a Covered Cause of Loss to part of the pair or set.

In case of physical damage to any part of a pair or set, we may:

- (1) Repair or replace any part to restore the pair or set to its value immediately before the loss or damage; or
- (2) Pay the difference between the value of the pair or set immediately before and after the loss or damage.

Payments provided under this Coverage Extension are included within and do not increase the Business Personal Property Limit of Insurance shown in the Declarations.

y. Equipment Leased Or Rented From Others

You may extend coverage for direct physical loss caused by a Covered Cause of Loss to contractors equipment that you have leased or rented from others.

The most we will pay for equipment leased or rented from others in any one occurrence is \$25,000.

The value of leased or rented equipment will be determined at actual cash value as of the time of loss or damage.

z. Installation Coverage

You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage by a Covered Cause of Loss to property intended for installation away from the described location in connection with your occupation as an artisan contractor. This may be your property or the property of others for which you are legally liable.

However, we will not pay for loss or damage to the following:

- (1) Contraband, or property in the course of illegal transportation or trade.
- (2) Existing buildings, structures or land to which improvements, alterations, repairs or additions are being made.
- (3) Machinery, tools or equipment that will not be a permanent part of the installation .
- (4) Accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes or securities.
- (5) Property at locations you own, lease or operate unless it is specifically assigned and invoiced for a particular job.
- (6) Trees, shrubs, plants and lawns.
- (7) Property while waterborne, except while in transit in the custody of carrier for hire.

Coverage begins from the time the property intended for installation in connection with your occupation as an artisan contractor is at your risk, starting on or after the time this policy begins. Coverage ends at the earliest of the following:

- (1) After the owner or buyer accepts the property;
- (2) When your insurable interest in the property ceases;
- (3) When this policy expires or is canceled;
- (4) When you abandon your installation, fabrication, or erection project with no intent to complete it;
- (5) When the installation, fabrication, or erection project has been completed for more than 30 days; or
- (6) When the covered property has been put to its intended use.

The most we will pay under this Coverage Extension is \$25,000 in any one occurrence.

aa. Small Tools

You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage by a Covered Cause of Loss to your small tools of a mobile nature which you use in your business away from the described locations.

However, other than a construction site, we will not pay for a loss that is caused by or results from theft or attempted theft of your small tools of a mobile nature unless such loss or damage occurs:

- (1) At a building and there is visible evidence of forcible entry or exit on such building; or
- (2) From a locked vehicle and there is visible evidence of forcible entry.

The value of your small tools of a mobile nature will be determined at actual cash value as of the time of loss or damage.

The most we will pay under this Coverage Extension is \$10,000 in any one occurrence subject to a maximum of \$1,000 for any one tool.

Coverage provided under this Coverage Extension is subject to a deductible equal to the property deductible shown in the Declarations.

- C. The second paragraph of Section **C. Limits Of Insurance** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by the following:

Signs (Outdoor)

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$25,000 per sign in any one occurrence.

- D. The following changes are applicable to Section **E. Loss Conditions** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

Special Valuation Provision

The limit of insurance in Paragraph **7.b. Valuation** is increased from \$2,500 to \$5,000.

- E. **Coinsurance**

Section **F. Additional Conditions**, Paragraph **1. Coinsurance** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM applies only when the total loss or damage to all Covered Property in any one occurrence is greater than \$10,000.

- F. **Ordinance Or Law**

For purposes of this endorsement only, Paragraph **A.4.e. Increased Cost Of Construction** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted.

The following coverage is added:

1. If direct physical damage by a Covered Cause of Loss occurs to covered Building property, we will pay:

- a. **Coverage For Loss To The Undamaged Portion Of The Building** - For the loss in value of the undamaged portion of that building as a consequence of a requirement to comply with an ordinance or law that:

- (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- (ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at a described location; and
- (iii) Is in force at the time of loss.

Coverage for loss to the undamaged portion of the building is included within the Limit of Insurance shown in the Declarations as applicable to the covered building and does not increase the Limit of Insurance.

- b. **Demolition Cost Coverage** - The cost to demolish and clear the site of undamaged parts of that property as a consequence of a requirement to comply with a building, zoning or land use ordinance or law that requires demolition of such undamaged property. The Coinsurance Additional Condition does not apply to this demolition cost coverage.

- c. **Increased Cost Of Construction Coverage** - The increased cost to:

- (i) Repair or reconstruct damaged portions of that Building property; and/or
- (ii) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the building, zoning or land use ordinance or law.

However:

- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

This coverage applies only to buildings to which the Replacement Cost Optional Coverage applies. The Coinsurance Additional Condition does not apply to this increased cost of construction coverage.

The most we will pay at any one location under Demolition Cost Coverage and Increased Cost of Construction Coverage combined is \$200,000.

2. We will not pay the increased costs of construction under this coverage:
 - a. Until the property is actually repaired or replaced, at the same or another location; and
 - b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
3. We will not pay under this coverage for the costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
4. We will not pay for loss due to any ordinance or law that:
 - a. You were required to comply with before the loss, even if the building was undamaged, and
 - b. You failed to comply with.

G. Property In Transit

With respect to the Property In Transit Additional Coverage Extension of the CAUSES OF LOSS - SPECIAL FORM:

Paragraphs a. and c. are replaced by:

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than fine arts or property in the care, custody or control of your salespersons) in transit more than 1,000 feet from the described locations. Property must be in or on a motor vehicle while between points in the coverage territory.
- c. The most we will pay for loss or damage under this Extension is \$25,000 in any one occurrence.

H. Back-up Of Sewers Or Drains

Paragraph B.1.g.(3) **Water** of the CAUSES OF LOSS - SPECIAL FORM is deleted and replaced by the following:

- (3) Except as provided under the Back-up Of Sewers Or Drains Additional Coverage Extension, water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

The following is added to Section F. **Additional Coverage Extensions** of the CAUSES OF LOSS - SPECIAL FORM:

4. Back-up Of Sewers Or Drains

We cover direct physical loss or damage caused by water:

- a. Which backs up into a building or structure through sewers or drains which are directly connected to a sanitary sewer or septic system; or
- b. Which enters into and overflows from within a sump pump, sump pump well or other type of system designed to remove subsurface water which is drained from the foundation area.

This coverage does not apply if the loss or damage is caused by your negligence.

We will not pay for water or other materials that back up, overflow, or are discharged from a sewer, drain, sump, sump pump or related equipment when it is caused by any flood, whether the flood is caused by an act of nature or is otherwise caused.

The most we will pay for loss or damage in any one occurrence under this Coverage Extension is \$25,000.

I. Water Seepage

Paragraph **B.1.g.(4) Water** of the CAUSES OF LOSS - SPECIAL FORM is deleted and replaced by the following:

(4) Except as provided under the Water Seepage Additional Coverage Extension, water under the ground surface pressing on, or flowing or seeping through:

- (a) Foundations, walls, floors or paved surfaces;
- (b) Basements, whether paved or not; or
- (c) Doors, windows, or other openings; or

The following is added to Section **F. Additional Coverage Extensions** of the CAUSES OF LOSS - SPECIAL FORM:

5. Water Seepage

You may extend the insurance provided by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to loss or damage to Covered Property caused by water under the ground surface pressing on, or flowing or seeping through:

- (a) Foundations, walls, floors or paved surfaces; or
- (b) Basements, whether paved or not.

The most we will pay for loss or damage under this Coverage Extension is \$10,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises or locations involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

J. Inflation Guard - Buildings

- a. The Limit of Insurance for buildings will automatically increase by 3%.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The 3% annual increase, expressed as a decimal (example: 3% is .03), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:	The applicable Limit of Insurance is	\$ 100,000
	The annual percentage increase is	3%
	The number of days since the beginning of the policy year (or last policy change) is	216

The amount of increase is $\$100,000 \times .03 \times 216 / 365 =$ \$ 1,775

If the Declarations reflect a higher Inflation Guard percentage for Building coverage at one or more locations, this Coverage Extension **J., Inflation Guard**, does not apply at those locations.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDENTITY THEFT ADMINISTRATIVE SERVICES AND EXPENSE COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following is added to paragraph **A.4. Additional Coverages:**

IDENTITY THEFT ADMINISTRATIVE SERVICES AND EXPENSE COVERAGE

We will provide "Identity Theft Administrative Services" and will reimburse up to \$25,000 for "Identity Theft Expenses" incurred by an "identity theft insured" as a direct result of any one "identity theft" in the "coverage territory" if all of the following requirements are met:

1. The personal identity of an "identity theft insured" under this policy was the subject of an "identity theft"; and
2. Such "identity theft" is first discovered by the "identity theft insured" during the policy period for which this Identity Theft Expense Coverage is applicable; and
3. Such "identity theft" is reported to us as soon as practicable but in no event later than 60 days after it is first discovered by the "identity theft insured"; and
4. The "identity theft insured" reports the "identity theft" in writing to the appropriate law enforcement agency.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others, against an "identity theft insured" is considered to be one "identity theft", even if a series of acts continues into a subsequent policy period.

LIMITS

Regardless of the number of claims or "Identity Theft Insureds", the most we will pay in the aggregate for all "identity theft expenses" resulting from "identity theft" discovered during the policy period is \$25,000.

1. The \$25,000 Identity Theft Expense Limit shall be reduced by the amount of any payment made by us under the terms of this insurance. If the Identity Theft Expense Limit of Insurance is exhausted, we will have no further liability to pay for loss which may be discovered during the remainder of the policy period.
2. Any recovery made by us after settlement of a loss covered by this insurance shall not be used to increase or reinstate the Limit of Insurance.
3. "Identity Theft Incident Administrative Services" is provided up to 12 consecutive months after service begins.
4. "Identity Theft Administrative Services" do not reduce the "Identity Theft" limit.

This "Identity Theft Administrative Service" and "Identity Theft Expense" Coverage is additional insurance.

EXCLUSIONS

The following exclusions are added to the applicable Cause of Loss Form shown on the Declarations.

We do not provide "Identity Theft Administrative Services" or cover "identity theft expenses":

1. Incurred as the result of "identity theft" due to any fraudulent, dishonest, or criminal act by you, your partners, employees, members, "executive officers", managers, directors, or trustees or by any authorized representative of yours, whether acting alone or in collusion with others.

In the event of any such act, no "identity theft insured" is entitled to "identity theft expenses", even an "identity theft insured" who did not commit or conspire to commit the act causing the "identity theft".

2. Arising out of "identity theft" committed by or with knowledge of any relative or former relative of the "identity theft insured".
3. Arising out of an "identity theft" first discovered by the "identity theft insured" prior to the policy period or after the policy period, even if the "identity theft" began or continued during the policy period.
4. Arising out of an "identity theft" that is not reported to us within 60 days after it is first discovered by the "identity theft insured".

DEDUCTIBLE

1. There is no deductible applicable to the "Identity Theft Administrative Services".
2. We will not pay for "identity theft expenses" resulting from an "identity theft" unless the amount exceeds \$250. We will then pay the amount of "identity theft expense" in excess of the Deductible Amount, up to the Limit of Insurance. Each "identity theft insured" shall be subject to only one deductible during any one policy period.

CONDITIONS

The following additional conditions are added for "Identity Theft Administrative Services" and Expense Coverage:

1. The coverage provided under this endorsement will be excess over any other insurance covering the same loss or damage, whether you can collect on it or not. But we will not pay any more than the Identity Theft Expense Limits of Insurance applicable to this coverage.
2. Reimbursement for "Identity Theft Expense" will be made to the "Identity Theft Insured."
3. "Identity Theft Administrative Services" will provide instructions on:
 - a. How to respond to a potential "Identity Theft";
 - b. How to submit a request for "Identity Theft Administrative Services"; and
 - c. Information needed for reimbursement of "Identity Theft Expenses".

We may provide "Identity Theft Administrative Services" prior to a final determination of "Identity Theft." However, if we determine there was not an "Identity Theft" these services will end and we will not have a right or duty to continue these services. Offering "Identity Theft Administrative Service" does not indicate an admission of liability under this policy.

4. Identify Theft Administrative Services. The following apply with respect to "Identity Theft Administrative Services":
 - a. Services will depend on the cooperation, permissions, and assistance provided by the "Identity Theft Insured";
 - b. There is no warranty or guarantee that "Identity Theft" issues will end and it will not prevent future "Identity Theft" incidences; and
 - c. All services may not be offered or applicable to all "Identity Theft Insureds." For example, minors may not have credit reports available to be monitored.

DEFINITIONS

1. "Coverage Territory" means:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.
2. "Executive officers" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
3. "Identity theft" means the act of knowingly transferring or using, without lawful authority, a means of identification of an "identity theft insured" with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law. "Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

4. "Identity Theft Expenses" means the following reasonable and necessary items incurred as a result of "identity theft":
- a. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
 - b. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
 - c. Costs for obtaining credit reports.
 - d. Charges incurred for long distance telephone calls to merchants, vendors, suppliers, customers, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity theft".
 - e. Application fees for re-applying for a loan, or loans when the original application is rejected solely because the lender received incorrect credit information as a result of a covered "identity theft".
 - f. Lost income resulting from time taken off from work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel, up to a maximum of \$250 per day. Total payment for loss of income is not to exceed \$5,000 per "identity theft insured" and is included within the "identity theft expense" and aggregate limits.
 - g. Attorney fees to:
 - i. Defend lawsuits brought against an "identity theft insured" by merchants, vendors, suppliers, financial institutions, or their collection agencies.
 - ii. Remove any criminal or civil judgments wrongly entered against an "identity theft insured"; and
 - iii. Challenge the accuracy or completeness of any information in a consumer credit report.
 - h. Advertising expenses to restore the reputation of your business after an "identity theft insured" has been the victim of "identity theft". Total payment for advertising expenses is not to exceed \$5,000 per "identity theft insured" and is included within the "identity theft expense" and aggregate limits.
5. "Identity Theft Administrative Services" means one or more individuals assigned by us to the "identity theft insured" to assist with the communication needed to re-establish the integrity of the "identity theft insured's" identity, including with the "identity's theft insured's" permission and cooperation, written and telephone communication with law enforcement authorities, government agencies, credit agencies, and individual creditors and businesses.
6. "Identity Theft Insured" means the following if you are designated in the Declarations as:
- a. An individual or sole proprietorship, you and your spouse are insureds.
 - b. A partnership or joint venture, your members, your partners, and their spouses are insured's.
 - c. A limited liability company, your members are insured's.
 - d. An organization other than a partnership, joint venture, or limited liability company, your "executive officers" and directors are insureds. Your stockholders are not "identity theft insureds."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY ANTI-STACKING ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

This policy may contain multiple editions of one or more property forms and/or endorsements. Where coverage for specific loss or damage is provided by more than one edition of the same form and/or endorsement, payment under only one such edition shall apply in any given occurrence.

When coverage and/or limits differ among the various editions of the same form or endorsement, the claim will be settled using the edition that provides the most favorable outcome to you.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties under this policy will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

(1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

(1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or

- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TENNESSEE CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraph 5. of the **Cancellation** Common Policy Condition is replaced by the following:

5. If this policy is cancelled, we will send the first Named Insured any premium refund due.

The refund will be pro rata if:

- a. We cancel; or
- b. The policy is cancelled at the request of a premium finance company that has financed this policy under a premium finance agreement.

The refund may be less than pro rata if the first Named Insured cancels the policy.

The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the **Cancellation** Common Policy Condition:

CANCELLATION OF POLICIES IN EFFECT FOR 60 DAYS OR MORE

If this policy has been in effect for 60 days or more, or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

1. Nonpayment of premium, including any additional premium, calculated in accordance with our current rating manual, justified by a physical change in the insured property or a change in its occupancy or use;
2. Your conviction of a crime increasing any hazard insured against;
3. Discovery of fraud or material misrepresentation on the part of either of the following:
 - a. You or your representative in obtaining this insurance; or
 - b. You in pursuing a claim under this policy;
4. Failure to comply with written loss control recommendations;
5. Material change in the risk which increases the risk of loss after we issued or renewed insurance coverage;
6. Determination by the insurance commissioner that the continuation of the policy would jeopardize our solvency or would place us in violation of the insurance laws of Tennessee or any other state;
7. Your violation or breach of any policy terms or conditions; or

8. Other reasons that are approved by the insurance commissioner.

Notice of cancellation will state the reason for cancellation.

- C. The following is added and supersedes any provisions to the contrary:

NONRENEWAL

1. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured and agent, at least 60 days before the expiration date unless:
- a. We have offered to issue a renewal policy; or
 - b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.

2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's addresses shown in the policy. If notice is mailed, proof of mailing will be sufficient proof of notice.

- D. The following is added to the **Premiums** Common Policy Condition:

Whenever an insurance policy which is financed with a premium finance company is cancelled, the insurer shall return, within 30 days after the effective date of the cancellation, whatever gross unearned premiums are due under the insurance policy directly to the premium finance company for the account of the first Named Insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1)** Computer hardware, including microprocessors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;
- due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
- 2.** Any device, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss - Special Form; or
 - b.** In a Covered Cause of Loss under the Causes of Loss - Basic Form or the Causes of Loss - Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

INSTALLATION FLOATER COVERAGE

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Installation Floater Coverage. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

DEFINITIONS

1. The words "you" and "your" mean the persons or organizations named as the insured on the declarations.
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Earth movement" means any movement or vibration of the earth's surface (other than "sinkhole collapse") including but not limited to earthquake; landslide; mudflow; mudslide; mine subsidence; or sinking, rising, or shifting, of earth.
4. "Flood" means flood, surface water, waves, tidal water, or the overflow of a body of water, all whether driven by wind or not. This includes spray that results from these whether driven by wind or not.

5. "Fungus" means:
 - a. a fungus, including but not limited to mildew and mold;
 - b. a protist, including but not limited to algae and slime mold;
 - c. wet rot and dry rot;
 - d. a bacterium; or
 - e. a chemical, matter, or compound produced or released by a fungus, a protist, wet rot, dry rot, or a bacterium, including but not limited to toxins, spores, fragments, and metabolites such as microbial volatile organic compounds.
6. "Jobsite" means any location, project, or work site where "you" are involved in an installation or construction project.
7. "Limit" means the amount of coverage that applies.
8. "Pollutant" means:
 - a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
 - b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.
9. "Schedule of coverages" means:
 - a. all pages labeled schedule of coverages or schedules that pertain to this coverage; and
 - b. declarations or supplemental declarations that pertain to this coverage.

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10. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.

11. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

12. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.

13. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.

Volcanic action does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property.

PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

1. **Coverage** -- "We" cover direct physical loss caused by a covered peril to materials, supplies, machinery, fixtures, and equipment that "you" are installing, constructing, or rigging as part of "your" installation or construction project.

2. **Coverage Limitations** -- "We" only cover:

- a. materials, supplies, machinery, fixtures, and equipment that will become a permanent part of "your" completed installation or construction project; and
- b. an installation or construction project at "your" "jobsite".

However, if Scheduled Locations Coverage is indicated on the "schedule of coverages", "we" only cover an installation or construction project at a "jobsite" that is described on the "schedule of coverages".

3. **Materials, Supplies, Machinery, Fixtures, And Equipment Means** -- Materials, supplies, machinery, fixtures, and equipment means:

- a. "your" materials, supplies, machinery, fixtures, and equipment; and
- b. similar property of others that is in "your" care, custody, or control.

PROPERTY NOT COVERED

1. **Airborne Property** -- "We" do not cover property while airborne except while in transit on a regularly scheduled airline flight.

2. **Buildings, Structures, And Land** -- "We" do not cover buildings, structures, or land.

However, "we" do cover property that is part of "your" installation or construction project and is in connection with any building or structure.

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3. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
4. **Machinery, Tools, Equipment** -- "We" do not cover machinery, tools, equipment, or similar property that will not become a permanent part of "your" installation or construction project.
5. **Money And Securities** -- "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.
6. **Trees, Shrubs, Or Plants** -- "We" do not cover trees, shrubs, plants, or lawns.
7. **Waterborne Property** -- "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

COVERAGE EXTENSIONS

Provisions That Apply To Coverage Extensions --

The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Coverage Extension, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage including a Coverage Extension or Supplemental Coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following coverage extensions are not subject to and not considered in applying coinsurance conditions.

1. Debris Removal --

- a. **Coverage** -- "We" pay the cost to remove the debris of covered property that is caused by a covered peril.
- b. **We Do Not Cover** -- This coverage does not include costs to:
 - 1) extract "pollutants" from land or water; or
 - 2) remove, restore, or replace polluted land or water.
- c. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.
- d. **Additional Limit** -- "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.
- e. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

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2. Emergency Removal --

- a. **Coverage** -- "We" cover any direct physical loss to covered property while it is being moved or being stored to prevent a loss caused by a covered peril.
- b. **Time Limitation** -- This coverage applies for up to ten days after the property is first moved. Also, this coverage does not extend past the date on which this policy expires.

3. Limited Fungus Coverage --

- a. **Coverage** -- "We" pay for direct physical loss to covered property caused by or relating to the existence of or any activity of "fungus".
- b. **Coverage Limitation** -- "We" only cover loss caused by "fungus":
 - 1) when the "fungus" is the result of:
 - a) a "specified peril" other than fire or lightning; or
 - b) "flood" (if the Flood Coverage is provided under this policy);
 that occurs during the policy period; and
 - 2) if all reasonable steps were taken to protect the property from additional damage at and after the time of the occurrence.
- c. **Limit** -- The most "we" pay for all losses at all installation or construction projects is \$15,000, unless another "limit" is indicated on the "schedule of coverages". The Limited Fungus Limit applies regardless of the number of claims made.

The Limited Fungus Limit applies regardless of the number of locations, buildings or structures, or projects insured under this policy.

The Limited Fungus Limit is the most that "we" pay for the total of all loss or damage arising out of all occurrences of "specified perils", other than fire or lightning, or "flood" (if applicable) during each separate 12-month period beginning with the inception date of this policy.

- d. **If The Policy Period Is Extended** -- If the policy period is extended for an additional period of less than 12 months, this additional period will be considered part of the preceding period for the purpose of determining the Limited Fungus Limit.
- e. **Recurrence And Continuation Of Fungus** -- Limited Fungus Limit is the most that "we" pay with respect to a specific occurrence of a loss which results in "fungus" even if such "fungus" recurs or continues to exist during this or any future policy period.
- f. **Limit Applies To Other Costs Or Expenses** -- Limited Fungus Limit also applies to any cost or expense to:
 - 1) clean up, contain, treat, detoxify, or neutralize "fungus" on covered property or remove "fungus" from covered property;
 - 2) remove and replace those parts of covered property necessary to gain access to "fungus"; and
 - 3) test for the existence or level of "fungus" following the repair, replacement, restoration, or removal of damaged property if it is reasonable to believe that "fungus" is present.
- g. **Loss Not Caused By Fungus** -- If there is a covered loss or damage to covered property not caused by "fungus", loss payment will not be limited by the "terms" of this coverage extension. However, to the extent that "fungus" causes an increase in the loss, that increase is subject to the "terms" of this coverage extension.

SUPPLEMENTAL COVERAGES

Provisions That Apply To Supplemental Coverages -- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension including a Supplemental Coverage or Coverage Extension that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following supplemental coverages are not subject to and not considered in applying coinsurance conditions.

1. Contract Penalty --

- a. **Coverage** -- "We" pay for the cost of contractual penalties for non-completion that "you" are assessed or are required to pay because "you" are unable to complete work on a covered installation or construction project in accordance with the terms or conditions of the installation or construction contract.
- b. **Coverage Limitation** -- "Your" inability to complete "your" installation or construction project on time must be as a direct result of a loss by a covered peril to a covered installation or construction project.
- c. **Limit** -- The most "we" pay in any one occurrence for all contractual penalties is \$5,000.

2. Earthquake Coverage --

If coverage is indicated on the "schedule of coverages", "we" cover direct physical loss caused by earthquake and volcanic eruption to covered property.

3. Flood Coverage --

If coverage is indicated on the "schedule of coverages", "we" cover direct physical loss caused by "flood" to covered property.

4. Pollutant Cleanup And Removal --

- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.
- b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".

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However, "we" pay the cost of testing which is necessary for the extraction of "pollutants" from land or water.

- d. **Limit** -- The most "we" pay for each location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

5. Sewer Backup Coverage --

- a. **Coverage** -- "We" cover direct physical loss to a covered installation or construction project caused by:
 - 1) water that backs up through a sewer or drain; or
 - 2) water below the surface of the ground including water that exerts pressure on or flows, seeps, or leaks through or into a covered building or structure.
- b. **Limit** -- The most "we" pay in any one occurrence for loss caused by sewer backup and water below the surface is \$5,000.

6. Storage Locations --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to materials, supplies, machinery, fixtures, and equipment that will become a permanent part of "your" installation or construction project while they are at a storage location that is not described on the "schedule of coverages".
- b. **Limit** -- The most "we" pay in any one occurrence for loss to property at a storage location is \$5,000.

7. Testing --

- a. **Coverage** -- "We" cover direct physical loss to covered property caused by a covered peril that results from testing.

Testing includes start-up, performance, stress, pressure, or overload testing of materials, supplies, machinery, fixtures, and equipment that will become a permanent part of a covered installation or construction project.

- b. **Limit** -- The most "we" pay in any one occurrence for loss resulting from testing is \$5,000.

8. Transit --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to materials, supplies, machinery, fixtures, and equipment that will become a permanent part of "your" installation or construction project while they are in transit.
- b. **Limit** -- The most "we" pay in any one occurrence for loss to property in transit is \$5,000.

PERILS COVERED

"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

PERILS EXCLUDED

- 1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

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- a. **Civil Authority** -- "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Earth Movement Or Volcanic Eruption** -- Except as provided under Supplemental Coverages - Earthquake Coverage, "we" do not pay for loss caused by any "earth movement" (other than "sinkhole collapse") or caused by eruption, explosion, or effusion of a volcano.

"We" do cover direct loss by fire, explosion, or "volcanic action" resulting from either "earth movement" or eruption, explosion, or effusion of a volcano.

This exclusion does not apply to covered property while in transit.

- c. **Flood** -- Except as provided under Supplemental Coverages - Flood Coverage, "we" do not pay for loss caused by "flood".

"We" do cover direct loss by fire, explosion, or sprinkler leakage resulting from "flood".

This exclusion does not apply to covered property while in transit.

- d. **Fungus** -- Except as provided under Coverage Extensions - Limited Fungus Coverage, "we" do not pay for loss, cost, or expense caused by or relating to the existence of or any activity of "fungus".

But if "fungus" results in a "specified peril", we cover loss or damage caused by that "specified peril".

This exclusion does not apply to:

- 1) loss that results from fire or lightning; or
- 2) collapse caused by hidden decay.

- e. **Nuclear Hazard** -- "We" do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.

- f. **Ordinance Or Law** -- "We" do not pay for loss or increased cost caused by enforcement of any code, ordinance, or law regulating the use, construction, or repair of any building or structure; or requiring the demolition of any building or structure including the cost of removing its debris.

"We" do not pay for loss regardless if the loss is caused by or results from the:

- 1) enforcement of any code, ordinance, or law even if a building or structure has not been damaged; or
- 2) increased costs that "you" incur because of "your" compliance with a code, ordinance, or law during the construction, repair, rehabilitation, remodeling, or razing of a building or structure, including the removal of debris, following a direct physical loss to the property.

- g. **Penalties** -- Except as provided under Supplemental Coverages - Contract Penalty, "we" do not pay for loss caused by penalties for non-completion or non-compliance with any contract terms or conditions.

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- h. **Sewer Backup And Water Below The Surface** -- Except as provided under Supplemental Coverages - Sewer Backup Coverage, "we" do not pay for loss caused by:

- 1) water that backs up through a sewer or drain; or
- 2) water below the surface of the ground, including but not limited to water that exerts pressure on or flows, seeps, or leaks through or into a covered building or structure.

"We" do cover direct loss by fire, explosion, or theft resulting from either water that backs up through a sewer or drain or water below the surface of the ground.

This exclusion does not apply to covered property while in transit.

- i. **War And Military Action** -- "We" do not pay for loss caused by:

- 1) war, including undeclared war or civil war; or
- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War and Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:

- a. **Contamination Or Deterioration** -- "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, rust, or any quality, fault, or weakness in covered property that causes it to damage or destroy itself.

But if contamination or deterioration results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- b. **Criminal, Fraudulent, Dishonest Or Illegal Acts** -- "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:

- 1) "you";
- 2) others who have an interest in the property;
- 3) others to whom "you" entrust the property;
- 4) "your" partners, officers, directors, trustees, joint venturers, or "your" members or managers if "you" are a limited liability company; or
- 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

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c. Defects, Errors, And Omissions -- "We" do not pay for loss caused by:

- 1) an act, defect, error, or omission (negligent or not) relating to:
 - a) design or specifications;
 - b) workmanship or construction; or
 - c) repair, renovation, or remodeling; or
- 2) a defect, weakness, inadequacy, fault, or unsoundness in materials.

But if a defect, error, or omission as described above results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

d. Electrical Currents -- "We" do not pay for loss caused by arcing or by electrical currents other than lightning.

But if arcing or electrical currents other than lightning result in a covered peril, "we" do cover the loss or damage caused by that covered peril.

However, this exclusion does not apply to loss resulting from testing as specifically provided under Supplemental Coverages - Testing.

e. Explosion, Rupture, Or Bursting -- "We" do not pay for loss caused by explosion, rupture, or bursting of steam boilers, steam or gas turbines, steam pipes, or steam engines.

This exclusion applies only to loss or damage to the steam boilers, steam or gas turbines, steam pipes, or steam engines in which the loss occurred.

f. Loss Of Use -- "We" do not pay for loss caused by or resulting from loss of use, delay, or loss of market.

g. Mechanical Breakdown -- "We" do not pay for loss caused by mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force.

But if a mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

However, this exclusion does not apply to loss resulting from testing as specifically provided under Supplemental Coverages - Testing.

h. Missing Property -- "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.

This exclusion does not apply to covered property in the custody of a carrier for hire.

i. Pollutants -- "We" do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":

- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
- 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

j. Temperature/Humidity -- "We" do not pay for loss caused by dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

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- k. **Voluntary Parting** -- "We" do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.
- l. **Wear And Tear** -- "We" do not pay for loss caused by wear and tear, marring, or scratching.

But if wear and tear, marring, or scratching results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

WHAT MUST BE DONE IN CASE OF LOSS

1. **Notice** -- In case of a loss, "you" must:
 - a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
 - b. give notice to the police when the act that causes the loss is a crime.
2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.
 - a. **Payment Of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".
 - b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against.
3. **Proof Of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:
 - a. the time, place, and circumstances of the loss;
 - b. other policies of insurance that may cover the loss;
 - c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
 - d. changes in title of the covered property during the policy period; and
 - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.
4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.

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9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.

VALUATION

1. **Actual Cost To Repair, Replace, Or Rebuild** --
 - a. **The Value Will Be Based On** -- The value of covered property will be based on the lesser of the following amounts:
 - 1) The actual cost to repair, replace, or rebuild the covered property with materials of like kind and quality. The actual cost may include material, labor, reasonable overhead and profit, and delivery charges.
 - 2) The amount "you" actually spend to repair, replace, or rebuild the covered property.
 - b. **Payment Limitation** -- In no event will "we" pay more than the "limit" indicated on the "schedule of coverages".
2. **Pair Or Set** -- The value of a lost or damaged article that is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
3. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

HOW MUCH WE PAY

1. **Insurable Interest** -- "We" do not pay for more than "your" insurable interest in any property.
2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence.
3. **Earthquake Period** -- All earthquakes or volcanic eruptions that occur within a 168-hour period will be considered a single loss. This 168-hour period is not limited by the policy expiration.
4. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 3., 5., 6., and 7. under How Much We Pay, "we" pay the lesser of:
 - a. the amount determined under Valuation;
 - b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
 - c. the "limit" that applies to the covered property.
5. **Coinsurance** --
 - a. **When Coinsurance Applies** -- "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages".
 - b. **How We Determine Our Part Of The Loss** -- "Our" part of the loss is determined using the following steps:
 - 1) multiply the percent indicated on the "schedule of coverages" by the value of the covered property at the time of loss;

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- 2) divide the "limit" for covered property by the result determined in **b.1)** above;
- 3) multiply the total amount of loss, after the application of any deductible, by the result determined in **b.2)** above.

The most "we" pay is the amount determined in **b.3)** above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

- c. **If There Is More Than One Limit** -- If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".
- d. **If There Is Only One Limit** -- If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.
- e. **When Coinsurance Does Not Apply** -- Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages".

6. **Insurance Under More Than One Coverage** -- If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

7. **Insurance Under More Than One Policy** --

- a. **Proportional Share** -- "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.

- b. **Excess Amount** -- If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

LOSS PAYMENT

1. Loss Payment Options --

- a. **Our Options** -- In the event of loss covered by this coverage form, "we" have the following options:
 - 1) pay the value of the lost or damaged property;
 - 2) pay the cost of repairing or replacing the lost or damaged property;
 - 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
 - 4) take all or any part of the property at the agreed or appraised value.
- b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.

2. Your Losses --

- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.

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b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:

- 1) a satisfactory proof of loss is received; and
- 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".

3. **Property Of Others** --

a. **Adjustment And Payment Of Loss To Property Of Others** -- Losses to property of others may be adjusted with and paid to:

- 1) "you" on behalf of the owner; or
- 2) the owner.

b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

OTHER CONDITIONS

1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit To Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.

3. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.

4. **Estates** -- This provision applies only if the insured is an individual.

a. **Your Death** -- On "your" death, "we" cover the following as an insured:

- 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
- 2) "your" legal representative.

This person or organization is an insured only with respect to property covered by this coverage.

b. **Policy Period Is Not Extended** -- This coverage does not extend past the policy period indicated on the declarations.

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5. Misrepresentation, Concealment, Or Fraud -- This coverage is void as to "you" and any other insured if, before or after a loss:

- a. "you" or any other insured have willfully concealed or misrepresented:
 - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - 2) "your" interest herein.
- b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.

6. Policy Period -- "We" pay for a covered loss that occurs during the policy period.

7. Recoveries -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:

- a. "you" must notify "us" promptly if "you" recover property or receive payment;
- b. "we" must notify "you" promptly if "we" recover property or receive payment;
- c. any recovery expenses incurred by either are reimbursed first;
- d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid or any lesser amount to which "we" agree; and
- e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be prorated between "you" and "us" based on "our" respective interest in the loss.

8. Restoration Of Limits -- Except as indicated under Limited Fungus Coverage, a loss "we" pay under this coverage does not reduce the applicable "limits".

9. Subrogation -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.

"You" may waive "your" right to recover from others in writing before a loss occurs.

10. Suit Against Us -- No one may bring a legal action against "us" under this coverage unless:

- a. all of the "terms" of this coverage have been complied with; and
- b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.

11. Territorial Limits -- "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

12. Carriers For Hire -- "You" may accept bills of lading or shipping receipts issued by carriers for hire that limit their liability to less than the actual cash value of the covered property.

ADDITIONAL COVERAGE LIMITATIONS

When Coverage Ceases -- Coverage ends when one of the following first occurs:

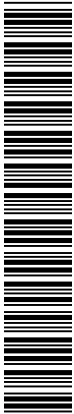
1. this policy expires or is canceled;
2. the covered installation or construction project is accepted by the purchaser;

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3. "your" insurable interest in the covered property ceases;
4. "you" abandon the installation or construction project with no intent to complete it;
5. the installation or construction project has been completed for more than 30 days; or
6. the covered property has been put to its intended use. However, this does not apply to roofs or walls.



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